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The Canadian Newspaper for Investors

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GOVERNMENT IS USING GRAIN TRADE TO MARKET WHEAT

Steps Being Taken to Make Best of a Bad Job

ADDITIONAL EXPENSE

System Will Involve Much Clerical Work—Price of $2.30 Paid by Millers Not Necessarily Final

By E. CORA HIND,
Commercial Editor, Manitoba "Free Press."

WINNIPEG.—The cost of handling the crop under the Canadian Wheat Board is something which appears to be occasioning much discussion and the question is frequently asked: "Can the Wheat Board handle the crop as economically as it could have been handled by the trade on an open market?"

This is a question which no one will ever be able to answer because the Canadian Wheat Board is not going to handle the crop, apart from the trade. In accordance with the expressed wish of the Dominion Government (section 5 of order in council) "deliveries of wheat may be taken from, through or by the use of such agents or grain companies or organizations as the Board may see fit." The crop is going to be handled and at the moment is being actually handled through the line elevators and the co-operative elevator companies just as it has been handled in the past, excepting that the price being paid as an advance on the wheat, is set and the seller is receiving a "participation certificate" for any additional amount which may accrue to him when the results of the pool are declared.

This method is similar in everything but *the pool* to that followed by the Board of Grain Supervisors last year, when an allowance of ¾c per bushel was paid the trade for the services performed by them in collecting the wheat, that is, over and above the fixed handling and storage charges. What the new Wheat Board will pay the trade has not been publicly announced, but judging by the tall amount of talking that is going on, the trade deem it lower than they would have got handling on an open market. Some members of the trade are going so far as to declare their intention of having nothing to do with it, however, that is probably merely passing annoyance at what they apparently consider an unfair deal. It was known that the trade was not satisfied with the ¾c paid last year, so, apparently, the present offer of the Board is the same or less.

Farmers Pay Charges

Very little was heard last year about the amount paid the trade as this was included in the handling charges paid by the Allied Governments and the Board of Grain Supervisors in their recently published annual statement was able to show a credit balance of half a million on last year's handling of the crop. This year, anything in connection with the cost of handling the crop will be paid by the farmers; that is, the farmer will be advanced $2.15, or its equivalent, according to his grade and anything the wheat fetches over and above that amount will be pooled and divided after all charges are paid. With three representatives of the organized farmers on the Board, it is safe to assume that the grain trade are not getting any undue amount for handling and with three members of the Grain Exchange, all expert grain men, on the Board, it is equally safe to assume that the interests of the grain trade are being reasonably safeguarded.

Additional Expenses

The additional expenses entailed in the present method of handling will come in the enormous amount of clerical work entailed in keeping track of the amount due each man from the pool. The bulk of the wheat in Western Canada is handled by the load; an average load is 69 bushels and it takes on an average, 20 wagon loads to make up a car, and it is not difficult to imagine that there will be a time when 20,000 participation certificates may be wanted in one day and all of them to be made out, signed and sealed.

Judging from what has so far been

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PROPOSAL TO PLACE A TAX ON FARM PRODUCTS

Argument That it Would Bring Revenue Where Income Tax Fails

A Small Tax on Wheat, Flour and Bread Would Bring Good Income Without Burdening Consumer

By J. L. RUTLEDGE
Editor "Canadian Grocer"

The income tax and the excess profits tax, have come to be the accepted means of raising necessary revenue. They are simple taxes readily comprehended and they are regarded very pleasantly by those who do not have to pay them. Generally speaking, even those who have to pay these taxes are ready to admit that they are more or less right in theory. There is, however, a growing feeling that this method of taxation is too easily evaded, and leaves a large part of the community absolutely untouched.

The head of a large industrial plant speaking to the FINANCIAL POST recently, commented on the fact that while Canada was essentially an agricultural country, and while Canadian farmers would receive for wheat alone this year well upward of three hundred millions of dollars, that only a nominal fraction of the farmers were affected by either of these taxes.

It is sometimes urged with a kind of Alice in Wonderland logic, that because the farmer pays no income tax, that, therefore, he has no income. It is interesting to note in this connection that the majority of automobiles owned in Ontario are owned in the rural districts. In the cities the owner of a car usually pays an income tax, because some zealous official is going to make enquiries if he does not. In the country the numbers paying income tax and the numbers owning cars are very far apart. But quite apart from this the known returns that the farmer receives for the products of the land, is a sufficient indication, that the income tax is not being evenly distributed. The official referred to attributes the small receipts from income tax in the rural sections to three causes. The objection, common to mankind, to paying any tax except under compulsion, the uncertainty on the part of the farmer as to what constitutes a taxable income; and the lack of adequate machinery for assuring the collection of this tax.

Tax on Soil Products

It would seem that the chief reason why the income tax failed as far as the rural communities is concerned is largely because its collection would have required a wide-spread and costly organization, and the organization did not exist. The suggestion has been made, that the best way to remedy this, is to impose a tax on the products of the soil to be paid by the producer, so much for every bushel of wheat or potatoes, so much for every carcass of beef or pork, a tax easily collectable, because the purchaser does the collecting, paying out of the purchase price a certain percentage to the government.

Of course such a suggestion is open to the usual objections, that it would curtail production. This objection has been raised so often, that it comes to be judged a truth.

As a matter of fact, such a tax, would bear very lightly on the farmer, and would be of such modest proportions that it could not very well go the way of most taxes, and end only with the consumer.

Tax on Stock and Meat

Wm. C. Corwell, editor of the "Bache Review," New York, gives some figures relative to such a tax, that are very interesting. He proposes a triple tax of one half of one per cent. to be paid first by the farmer, second by the producer of the manufactured article, and third by the retailer.

Taking figures of July 17, Mr. Cornwell takes as an example a live steer of 1202 pounds at 16.34 per cwt., or $196.41. On this the farmer would pay his one half of one per cent. or .98.

The carcass in question dressed 710 pounds net of beef on which the packers tax of one half of one per cent. was .85, a total for farmer and packer of 1.83 which distributed over 710

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C.P.R. NET HIGHER

Economies in Operating Costs Now Having Their Effect

By Resident Representative

MONTREAL.—At last the C.P.R. Co. has been able to call a halt in the decrease in its net earnings that up to the past month threatened a deficit for the year. Indeed for the first six months of the year the net earnings had dropped $2,500,000, as compared with last year, or more than the surplus on the railway operations for the whole of 1918, but by economies in July this was cut down by $826,692. The gain of July, 1919, over July last year, as working expenses were cut from 82.4 to 79.6 per cent. of the gross receipts, and if this is continued a good surplus for 1919 will soon be assured. The gross receipts are running well ahead of last year, being now over $7,000,000 in advance.

CANADIAN SHIPS BEING HELD UP ON OTHER SIDE

Dominion Steel Gets Back Three, But Others Delayed

Strong Feeling That There is Discrimination Being Exercised

By Resident Representative.

MONTREAL.—The Dominion Steel Corporation has received back three steamers from the British Shipping Control, the Lord Strathcona of 11,000 tons, and the Wabana and Kamouraska of 7,500 tons each. Two of the largest, the Rosecastle and the Daghill, are still over there, undergoing repairs, it is reported, and it may be months before they are sent back. Constant protests, it is understood, have been sent to the Shipping Control Board against the detention of those boats, but the time has dragged on. Meanwhile the Steel Corporation is prevented from carrying any but a small portion of the coal it mines to Montreal, as its own fleet is required on the coast.

There is beginning to be an impression among the various companies thus handicapped, either by Canadian vessels being detained so long overseas, or British vessels under control in Canada, that the higher profits made overseas by those who had control of the vessels, may have had some influence on their return to Canada.

The three boats now received by the Dominion Steel Corporation will help, of course, to provide a market for the coal that is produced.

BOLSHEVISM IS A REAL MENACE, SAY FIRE MARSHALS

President Believes Alien Enemies Will Use Bomb and Torch

TORONTO CONVENTION

Increased Fire Prevention Work Needed To Protect County From Arsonists —Other Addresses

That Bolshevism is not only a menace to our political and social life, but also a menace, and a very real one, to the commercial life of the country, was emphasized by T. Alfred Fleming, president of the Fire Marshals' Association of North America, and State Fire Marshal of Ohio, addressing the fire marshals' convention in Toronto this week. Mr. Fleming prophesied that the anarchists in America would strike with the bomb and the torch. Not having an argument that would appeal to the reason of the people, they would attempt to fortify themselves by fires, compelling fear, said Mr. Fleming.

Other speakers emphasized the value of "Good Citizenship" to the community, not only by building up the morale of the people but by adding strength to the country's economic position. Mr. Fleming spoke, in part, as follows:

"It is our duty to stamp out forever in our country, North America, the spirit of anarchy, Bolshevism, alienism, and the kindred allies—the bomb and the torch. The man who, at this critical time in our history, does not put forth every effort to put down at once and forever the be-whiskered, filthy ogre of Bolshevism; and throttle the red neck of anarchy, is not better than the slacker, who goes to the rear at the first whine of a shell.

"It is not the yellow peril we face; it is the red! Now our actions must speak louder than our words. Bolshevism in North America is not a myth: it is a reality and the peril is more to be dreaded now than any acts of the Hun during the world's war.

Rioters Not Naturalized

"On May Day, Cleveland felt the stroke from the viper, and Americans on peaceful business missions were attacked while passing through the public square. These acts of lawlessness show the trend of the plotters, and next will come the torch.

"The majority of these filthy rioters had never been naturalized. They do not wish to become Americans or Canadians and America does not want them at any price; neither does Canada! My notion is that the attack on North America will come along the battle line of fires. The spawn of Europe, having no argument to appeal to the reason of our people, will attempt to fortify their outposts through fear and outrage!

"The credit of North America and insurance in North America depend now, as never before, on a larger vision and on the increased application of fire prevention work.

"I cannot find words adequate to ex-

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OPPORTUNITIES FOR CANADIAN STEEL IN THE BRITISH MARKET

By A. R. Kennedy, Editor "Canadian Machinery."

Is there an opening for the Canadian steel trade to go into the British market in a large way now? It is common knowledge that the American steel mills are selling in that market and have been doing so for some time. The reason for this is that they have been able to undersell the British steel merchant in his home market. If this is the case it follows that the British business of exporting steel will make no progress.

According to information reaching THE FINANCIAL POST, Canadian steel interests have their eyes turned toward the English trade. Our correspondent remarks: "There appears to be an opening for Canadian manufacturers in the British market under prevailing conditions, for only quite recently a cargo of Canadian steel arrived at Newport, Mon., the price, plus freight, being lower than the home market price. Cheap labor is now a thing of the past in Great Britain, and with it has gone the chief cause for this country's trade supremacy."

To what extent the Canadian mills are in shape to go ahead and take advantage of the situation it is not possible to state. Then there is the situation developing quickly in the United States, where the mills may be tied up by a strike. Were this to come to pass and production be curtailed there seriously it would put the Canadian steel mills in an enviable position. As it is they are well filled in some departments. Bar mills, for instance, are booked in many cases to capacity. There was one order in the market during the week for 185 tons, 125 of which would have been a straight one of one size in long lengths. The mill to which it was first offered turned it down at the price, stating they did not care for more business, and they were practically out of the market for the next six weeks. The intimation was also given that prices were due for an advance of some $5 per ton. If that condition is general there would be nothing left over for export trade in those lines.

The tieing up of the plate rolling mills would be poor business for the Dominion just now. There is very little plate rolling capacity in this country at present, and the great bulk of our plate comes from U.S. mills. There has been a very brisk demand recently, in fact there are cases where warehouse prices have been paid for considerable tonages that would make very acceptable mill orders.

With Britain suffering from too little production and from too high charges, and with United States threatened with a strike, the future of the steel trade does not point to lower values. A stiffening of prices is likely.

ENEMY HOLDINGS C.P.R.

Stock Being Bought by Neutrals Who Want Dividend

Wall Street is speculating on the position of enemy holders of Canadian Pacific stock, a large block of which was owned in Germany before the war. Statements coming from France and England say that enemy holders are being forced to forego dividends on French and English stocks accruing during the war. Bankers have no information as to the course that will be pursued by American companies, and the Bank of Montreal, bankers for the C.P.R. referred interviewers to the head office of the C.P.R.

Considerable quantities of securities that were held in Germany before the war are now making their appearance through neutral countries, Switzerland and South America, chiefly. The new holders are anxious to learn if they will be able to collect past dividends and interest.

MANITOBA FREE PRESS ESTIMATE IS THE BEST YET

Wheat Averages: 16 For Manitoba; 11 For Sask. and 6 For Alberta

Special Grades Have Been Established For the Rusted Wheat

By E. CORA HIND,
Commercial Editor, Manitoba "Free Press."

WINNIPEG.—The writer has completed the sixteenth inspection of the crop for the Manitoba Free Press and issued the annual estimate. This places the wheat yield at 166,225,000; oats 268,885,000; barley 46,961,095. The average yields of wheat are put at 16 bushels for Manitoba, 11 for Saskatchewan, and 6 for Alberta. The estimate is the most optimistic so far made and is based on a personal inspection, including over 8,000 miles of railway and about 2,500 miles of motor travel, and the examination of hundreds of fields.

Threshing is general throughout the Prairie Provinces and the whole harvesting operations are fully three weeks ahead of any year since 1906. All the crops, with the exception of flax, are made and out of danger from any damage by frost. The early flax is some of it cut, and the yield is light, though the sample is excellent. The great bulk of the flax, however, is late, having made its growth after the rains late in July, and while it promises well at the present time, frost within the next ten days would damage it seriously, and for this reason no estimate of the flax crop has been made.

The wheat is a very mixed sample, and already the Canadian Wheat Board have provided prices for four, five, and six special. These are grades adopted in the previous rust year of 1916 and are especially to take care of rusted wheat.

FLOUR MILL RISKS

Careful Building Would Reduce The Losses

Faulty construction, dangerous location and unsafe equipment were given as the main reasons for fires in flour mills and grain elevators by J. J. Fitzgerald, assistant secretary of the Grain Dealers' National Mutual Fire Insurance Company, or Indianapolis, addressing the fire marshal's convention in Toronto. He thought that stricter attention to these points would prevent a great many fires.

The "leg" was a great source of elevator fires, and a steel leg would solve this problem, said Mr. Fitzgerald. Two other sources of trouble were that, in small centres at least, elevators were generally located near the railway track and were built with wooden roofs which rendered them doubly liable to be ignited by sparks from passing trains. All storehouses built along side of tracks should be roofed with iron, and if possible iron covered. The iron sheeting, if properly grounded, would also act as protection against lightning.

Another essential was to have a careful man in charge. The careful man was the best protection the country elevator could have.

LIQUIDATION IN NEW YORK BEARS UPON EXCHANGE

Considerable Volume of Canadian Short-Term Issues Sold

OUTLOOK UNCERTAIN

Victory Loan Campaign Has Unsettled Bond Market and Labor Situation Affects Stocks

Exchange continues as perhaps the most interesting and definite single influence in the Canadian investment situation. In both the bond and stock markets it has been felt. In fact it is generally accepted that the liquidation of Canadian short term bonds payable in the United States has reached such proportions as to be an important factor in the improvement in the price of Canadian funds in New York noted during the week. At the same time the sale of odd lots of Canadian securities held in Britain, including guaranteed railroad issues, has continued, although there has been a firming of the British market which has to some extent reduced the advantage of liquidation in this market.

Altogether there has been more activity in the Canadian bond market under the conditions outlined and with the close of the holiday season than for some weeks. There has been no improvement, however, in the general price position as indicated by the fact that there has been a tendency towards further easiness in the prices of outstanding victories, relieved somewhat by a better feeling in lake trading. The unsettled conditions may be expected to continue until after the Victory Loan campaign with few new issues of importance in the interval.

There has been more activity in the stock market and trading has shown a tendency to broaden somewhat although few gains have been recorded.

In the mining department the strike in the Cobalt district continues as a depressing influence, particularly with the silver stocks. In the gold section there has been some indication of a reviving demand and some gains re-

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ESTABLISHED 1875

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Dividend No. 130

Notice is hereby given that a dividend at the rate of 10 per cent. per annum upon the Paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its banking house in the City of Winnipeg, and also at its branches, on and after Tuesday, the 2nd day of September, 1919, to shareholders of record at the close of business on the 16th day of August next.

The Transfer Books will be closed from the 17th to the 31st day of August, both days inclusive.

By order of the Board.

H. B. SHAW,
General Manager.

Winnipeg, July 17th, 1919.

SOLDIERS

Cheques and money transfers representing pay and allowances of soldiers drawn in Sterling Exchange will be cashed by this Bank at $4.86 2/3 to the Pound Sterling.

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Head Office: Montreal
E. C. PRATT, General Manager

PUBLIC UTILITY PROBLEMS MET BY STOCK SALES

Only Two of 256 Concerns in U.S. Had Discouraging Experiences

THE RATE QUESTION

Is Solved on Basis of Self-Interest—48 Companies Placed $40,000,000 of Securities Among 36,000 Persons

From the standpoint of the investment public there is no more difficult problem to-day than the future of the utility corporations. Not only is there the popular public ownership movement with its influence upon legislative regulation, but the ever-increasing cost of operation which in many cases is met by no corresponding increase in income. What the future holds for these corporations is difficult to foresee, but the outlook cannot be faced without considerable apprehension. It seems almost impossible under the conditions prevailing to maintain at the same time the goodwill and co-operation of employees, of the public, and of security holders.

It can be readily understood, however, that public opinion is the dominant factor in the situation which leads to the observation by the New York Annalist that an important movement is gaining force in the United States, in separate and distinct localities, to eliminate the three-sided controversy when capital representing public utility companies and labor fail to hit it off. The success of this movement should have a vital interest in Canada:

"The utility companies are seeking to give employees so direct and material an interest in the properties for which they work that they will not act hastily over differences with the employers. The companies are making efforts to cement the interest of the people to company interests in such a way that suggestions for fare or electric current rate increases will receive at least a fair hearing, with chances more than even that proposals will be allowed through public acceptance when justification on economic grounds can be made.

How it Works

"And it works in practice. Between July, 1914, and May 1 of this year, the Pacific Gas and Electric Company sold approximately $14,754,500 6 per cent, first preferred stock. Of this $6,396,200 was taken by holders of the company's stocks and through conventional channels in Eastern investment banking circles. The balance of $8,359,000 was disposed of right in the 178 cities and towns which the company serves, among some 6,000 persons who either enjoyed the facilities of the corporation or helped make these facilities useful. In other words, the company made a substantial part of dwellers in those towns partners in the enterprise. The company, through enlisting the people's money in an investment in a "home" corporation made the Pacific Gas and Electric organization something of more vital import than a gas plant or power house.

"Now, the product of an enterprise of this sort, which has become part and parcel of the development program of close to 100 utility companies, is both practical and sentimental. I takes no deep reasoning to reach the conclusion that, if the Pacific Gas and Electric Company should seek to have its rates raised, there would be 6,000 and more people who would have more than a consumer's interest in the matter. If the company presented figures of earnings and expenses which made an increase necessary to maintain adequate profits for the stability of its credit and the proper expansion of its plant, the shareowners would give a sympathetic attention to the matter. Employees who held stock would not be likely to take an unreasonable attitude if labor troubles appeared, and hasty action threatened to reduce dividends.

"A report on the customer-ownership program, from which the above facts were gathered, was presented at the annual convention some weeks ago of the National Electric Light Association by a committee headed by W. H. Hodge of Chicago. 'The Annalist' recently sent this question to Mr. Hodge, who is especially familiar with operations of the Northern States Power and allied concerns: 'What is the proportion of utility company employees who buy stock to the general run of buyers? How is the stock sold? Do investors take preferred stock alone?'

"Mr. Hodge replied:

"I find that the proportion is, roughly, as follows: Northern States Power Company, 3½ per cent.; Arkansas Valley Railway Light and Power Company, 3.8 per cent.; San Diego Consolidated, 6 per cent. About 16 per cent. of the Northern States Power employees are shareholders; 10 per cent. of the Arkansas Valley employees own stock, and 8.9 per cent. of employees of the San Diego Consolidated Gas and Electric Company own shares of their corporation."

"The preferred stock," replied Mr. Hodge, "is offered alone on a strictly investment basis. The selling price in Northern States Power Company territory varies in accordance with the market price of this security as quoted in New York and Chicago. The selling price of the stock of the other two companies is governed by the companies as the market is strictly local. In all cases the preferred stock is sold direct by the company to the public, but investment dealers and banks are also allowed to sell on a specified commission basis."

Methods of Operation

"Various schemes have been developed by the different utility organizations to distribute their securities on the home ground. Some follow a continuous program, as is the case with the Northern States Power Company and the Denver Gas and Electric Company, among others; there are a number which concentrate their efforts in definitely prescribed campaigns, extending over a few months and carried on by a trained security-selling staff. Some have the bulk of the stock distributed through their commercial departments, which consider the sale of stock as an operation parallel to the sale of electric current and appliances. A number of companies supplement the work of their commercial agents through the employment of security salesmen obtained from outside sources.

"The summary of reports made to the committee headed by Mr. Hodge showed this:

Forty-eight large and small companies in the last five or six years marketed locally among an estimated total of 36,000 persons $27,134,000 preferred stock; $3,862,500 common stock; $2,294,000 bonds ands $6,724,000 short-term securities, a total of more than $40,000,000 of Central Station Company security. The committee sent out its questionnaire to companies in all parts of the United States and Canada. Replies came from 256, of which forty-eight stated they had developed direct selling plans for distributing their stocks and funded obligations among customers and resident citizens; ten endeavored to distribute their securities among citizens through banks and brokers; 208 replied that they had done nothing to interest customers in their securities, while forty-five noted that they contemplated taking up customer-ownership programs. Only two companies reported discouraging experiences.

LOWEST ECONOMIC STATE NOW PASSED

But Greater Production Necessary on World-Wide Basis to Meet Problems

The reasons for the optimism which is evident in well-informed financial circles are broadly sketched in the current issue of American Goods and Foreign Markets, a semi-monthly publication of the Guaranty Trust Company of New York devoted to foreign trade. The review, which gives its customary summary of trade conditions in the various important commercial and industrial countries of the world, says:

"Accumulated evidence gathered by competent observers leaves now little room for doubt that the lowest point in the economic state of the world was passed some time back and that, whatever may be the temper of the present moment, from this time forth progress must be ever more rapid toward stabality and prosperity."

After a discussion of the various factors the review continues:

"This is said, of course, without any attempt to belittle the seriousness of the present situation, or to gloss over the difficulties which must be met and overcome before normality in trade relations, and particularly in foreign trade relations, may be expected. On both sides of the Atlantic the situation is identical—that settlements cannot be made until production has been resumed on the fullest possible scale. Europe cannot produce until food and raw materials, machinery, and fuel necessary to her production have been obtained from the United States, the most available source of supply. Those needs cannot be supplied unless our own production is kept at the highest possible level. Production is the fundamental of the problem, and unless production is maintained and increased, here and abroad, reforms will be useless, and all the attention devoted to panaceas will be so much energy diverted from the real crux of the situation, and so much a sin against civilization."

A SOLDIERS' INDUSTRY

New Westminster To Vote on Site Bylaw, Sept. 5th

NEW WESTMINSTER.—At a special meeting of the city council the Canada Western Cordage Company bylaw was finally passed and the date for it to be submitted to the electorate was set for September 5.

This bylaw will enable the city to give to the Cordage company, which is a returned soldiers' co-operative industry, a grant of land in Sapperton valued at about $8,000.

Recently the Government, which, under the Industrial Development Act, has agreed to advance the company $175,000, increased this loan to $200,000 after the veterans had agreed to increase their working capital from $60,000 to $100,000. The returned men have now subscribed $60,000 in cash and are taking up $40,000 deferred, to make the necessary $100,000.

GETTING AFTER EXPORT TRADE IN THE ORIENT

Sending Catalogues or Mediocre Salesmen Will Not Do

OPPORTUNITIES LOST

Carelessness Has Been a Handicap in the Past and It Must be Followed by Efficient Business Methods

That there is substantial export business for Canadian manufacturers in the Far East is the conviction of representatives of the Canadian Bank of Commerce, who recently visited New Zealand, Australia, China and Japan, but, as expressed by C. F. Weed, vice-president of the First National Bank of Boston, they will have to go after it in a "sane, dignified and substantial way." Further, those who have been on the ground realize that it is not going to be child's play. There is the keenest kind of international competition to be faced, and, as characteristically stated by Mr. Weed, "this cannot be met by sending illustrated catalogues to Government representatives, or by sending out mediocre salesmen with sample trunks." He adds:

It is pathetic to see, from that end, some of the futile attempts to do business at long range. One Consul General told me of a single mail which brought him 1,300 letters from home asking assistance in marketing American goods. Think of it! Trying to compete by mail with bright, wide-awake, courteous Japs on the spot and with solid British firms which have been established there for upwards of sixty years, owning their own office buildings in the principal cities and having godowns of their own in the interior as well as in the port cities, and staffed by men whose families for generations have been in the Eastern trade. It is puerile.

This need for sending out competitive representatives is emphasized by the representative of the Bank of Comemrce, who also suggests the appointment of capable local representatives. Further, a warning is given against expecting immediate results:

Immediate results should not be expected and manufacturers should be prepared to bear at least a share of the cost of advertising for a few years until their goods are well established, and their reliability and durability proven. We can sell in another country only if the goods are at least equal to those of our competitors in price and quality and we should aim to have the stamp "Made in Canada" represent absolutely undoubted quality, the best workmanship and the finest materials. It is only by producing a superior article that we can hope to make rapid progress in our foreign trade.

Gross Carelessness

At the same time a warning is issued to Canadian exporters against committing in the future such gross carelessness in regarding to packing, etc., as has been in evidence in the past. Typical instances are given:

1. A shipment of angles, ordered to be a certain length, was sent to the East. When the shipment arrived there were at least three lengths in the consignment which were shorter than the specifications called for, with the result that the shipment was of no use for the purpose required. If the shipping clerk had checked the goods carefully before they were packed he would have discovered the error, and the resulting discredit to his employer, and a great deal of inconvenience to the importer, would have been saved.

2. A shipment of goods, which required several cases to contain them, went forward with the cases numbered and a statement that certain goods were in certain numbered cases, which was just what the importer desired. When the latter proceeded, however, to open some of the cases to secure the goods he needed, he discovered that the goods were not packed as indicated, with the result that he was put to considerable unnecessary inconvenience and annoyance.

3. A shipment of hardware went to the East and when it arrived a great quantity of the goods had been stolen. This might have been avoided if the cases had been bound with metal straps.

4. A shipment made against a banker's credit on a through bill of lading went forward from the exporter's warehouse on schedule time in accordance with the contract and the shipper paid no further attention to it. The goods went as far as the seaboard, but there they lay for months and the importer at the other end was kept waiting for them. Finally he cabled to find out the cause of the delay and the exporter then woke up to the fact that he should have followed up the shipment and ascertained that it was promptly placed on board ship, thus looking after his client's interests. The importer, in view of this experience, says that he will not pay for any more goods shipped from Canada unless on an ocean bill of lading. There were numerous complaints of this kind.

5. An Australian importer stated that he purchased a considerable amount of merchandise from Canada for sentimental reasons, but that he always had the goods forwarded through a New York forwarding house as he could then rely on the shipment being in order. He stated that Canadians were too careless about handling this business.

6. One large foreign house recently sent a man through Canada and the United States with a view to establishing connections, and after looking the situation over he came to the conclusion that he could probably buy a considerable part of his requirements in Canada, but from his point of view he decided that the Canadians lacked "pep" and initiative, and were too careless in their business methods to compete with the Americans, with the result that he gave his business to United States firms.

7. The number of complaints that Canadian export houses fail to answer letters and even cables was really astonishing.

8. Some firms complained bitterly that they would take up a line of Canadian goods and after going to the expense of introducing them and building up a good market for them, the Canadian house would suddenly cease shipments without even a letter of explanation.

This Eastern market holds great possibilities as indicated by the following lists of imports such as Canada can produce—by various countries:

New Zealand:—Automobiles, tires, etc.; Bicycles; Canned fish; Canned fruits, fresh fruits; Drugs; Dry Goods; Fancy Goods; Hardware; Iron and steel products; Lumber, and manufactures; Machinery; Metallic roofing; Nails; Paints and varnishes; Paper, stationery, etc.; Rubber goods; Spirits, Tobaccos; Wearing apparel; Wire fencing.

Australia:—Agricultural machinery and implements; Asbestos, crude, sheet, etc.; Axles; Bolts and nuts; Brushes; Calcium-carbide; Cartridges (sporting); Corsets; Cotton goods: blankets, ducks, canvas, drills, denims, prints, unbleached calico, bleached calico, flannelette, twill, knitted underwear, fleece-lined underwear, mercerized cotton, piece goods, silk piece goods, linen piece goods, etc.; Drugs, refined and in bulk for manufacture; Electrical appliances; Emery stones and wheels; Fire bricks; Fish, in cans (salmon, herring, lobster, etc.) smoked, dried and salted; Furred skins; Felt roofing; Gas appliances and fittings; Gloves; Hair cloth; Hardware; Machinery: electrical, mining, woodworking, machine tools, printing machines, sewing machines, portable engines, stationary engines, etc.; Metals, various manufacturers of, and expanded metal; Office furniture; Paints; Paper: newsprint, litho paper, writing paper, wrapping paper, vegetable parchment, waxed paper, paper boards, wall paper, etc.; Pianos and organs; Reinforcing materials; Rubber goods; Sewing silks; Slate roofing tiles; Springs; Steel shafting; Tube piping, black and galvanized; Wire, fencing wire and nail wire; Wood and manufactures thereof.

Japan:—Aluminum; Aniline dyes; Asbestos, in lump, powder and fibre; Automobiles; Bones, animal; Chemicals: carbonic acid, caustic soda, soda ash; Butter and cheese; Condensed milk; Confectionery; Drugs, medicines, etc.; Explosives: dynamite; Fertilizers of various kinds; Fish, salt (salmon and herring); Grindstones, artificial; Groceries of all kinds; Gypsum; Iron and steel and manufactures thereof of all kinds, including iron screws, wire nails, horse nails, galvanized wire, materials for railway construction, rails, iron anchors, shipbuilding material, etc.; Lead; Leather, sole, dyed and colored; Lumber, pine, fir and cedar; Machinery, metal or wood working; Metal and manufactures; Malt; Oxide of cobalt; Paints; Paper: printing, writing, drawing, packing, pasteboard, fancy papers; Parts for cycles; Pulp for paper making; Salt; Talc; Tarred felts, paper, etc.; Wines and liquors.

NEWSPRINT INDUSTRY TO BE INVESTIGATED

More Stringent Steps May be Taken to Restrict Trade Monopolies

WASHINGTON.—Back of the resolution introduced by Senator Reed, calling for an investigation into the newsprint paper industry to ascertain whether it is engaged in discriminatory practices and whether the prices charged are excessive, is evidence of the distrust which exists among many members of Congress in regard to the effectiveness of the Federal Trade Commission and its investigations into the industries of the country.

The commission recently declined to reopen the hearings upon the price of newsprint paper upon the grounds that funds were not available for an exhaustive inquiry. This inquiry will now be conducted by the Senate, which will also bear the expense instead of making an appropriation to the commission for the purpose. The committee making the probe will also go deeper into the matter than the commission has been accustomed to inquiry, and will seek to get at the basic difficulties in the newsprint industry.

From the investigation may come legislation which will reach further in preventing trade monopolies than do the existing laws against combinations in the restraint of trade. It has been brought to the attention of members of Congress that too frequently in the matter of determining fair prices, companies have based their claims upon the cost of raw materials to them, while as a matter of fact these corporations have controlled all of the subsidiary organizations which procured the raw materials and put them through the refining processes. The newsprint companies, it is said, have a complete monopoly over the companies engaged in logging and handling pulp wood, as well as over all other branches of the industry. This is one of the features into which the Senate committee will go fully, and from it may be developed new legislation that will give the Government a stricter supervision over prices, without at the same time placing the Government in control of an industry.

CAN. WESTERN LUMBER

Lumber sold by the Canadian Western Lumber Company, Ltd., in June, was 11,217,000 board feet, valued at $303,437. The increase over last year's figures for June was $49,562. The figures for the first six months of this year show a decline in revenue of $120,056 compared with last year.

LAW OF SUPPLY AND DEMAND TO PUT DOWN PRICES

No Sound Argument That Present Levels Will Be Maintained

LABOR AND CAPACITY

Facilities for Production Now Idle, But Soldiers Want Employment and More Goods Means Keen Competition

By PAUL CLAY,
Staff Economist, "Forbes' Magazine."

It has been generally believed that commodity and goods prices were never coming down. This belief has been taken so seriously, even by those who exercise intelligence in most matters, that it is worthy of examination.

It is easy to see how the idea came to prevail. Producers and merchants have been preaching the doctrine of permanent high prices in order to induce the public to buy, and they have brought to their assistance a great army of advertisers, writers and so-called economists, whose opinions are for sale. Besides this, some few economists of the best intentions have been over-awed by the apparent strength of prices, and have come to accept honestly the theory.

Wall Street, too, simply devours the theory that prices are to remain at the present level, for if this be true it means immense industrial profits for evermore, and a continued bull market in which it will always be easy to make money. A student of finance has summarized the opinion of the Street:

"Prices have become acclimated to the present level, and they are going to stay here or go higher. You will never live to see them come down. The money and wage inflation will not let them down. Indeed, I would not say that prices have gone up, but rather that the value of the dollar has gone down. You pay twice as much for anything you buy, but every one is getting $2 of income where he used to get $1, so that it is an even thing. Stock prices are about the only ones that haven't doubled; but stocks are earning double what they were before the war, and they have got to double their dividends. Stocks that used to pay 5 per cent. must pay 10 per cent., and when this becomes the rule stock prices will double."

Everywhere the wish is father to the thought and serious examinations of the question whether prices actually will come down or not are conspicuously lacking. Let us do the unusual and unconventional thing—namely, a bit of sober thinking upon the subject. Thinking in regard to prices is unusual because nine people out of ten take their opinions ready-made from the captains of industry and finance; and it is unconventional because under existing conditions it is to the interest of both organized labor and organized capital that prices should stay up. Both can make more money if they stay up, and enough more to live higher than before the war.

Law of Supply and Demand

But we cannot see into the future by looking at the wishes of various interests. There are definite business influences or economic forces which govern prices, and through an honest look at these some rather broad, but reliable conclusions can be reached at the outset.

Perhaps the best known of these is the law of supply and demand. This law, or rule, is merely an expression of the experiences of all ages and peoples. It means simply that when the supply of a given article exceeds the demand for it, prices will go down, and vice versa. There have been trusts and monopolies and corners ever since Joseph went down into Egypt to buy corn; but while the rule that supply and demand governs prices can be temporarily interfered with, it always comes back and exercises its dominating force.

The biggest single factor in determining supply is plant capacity—meaning the extent of the plants or factories built and equipped for the production of a given article. Whether or not a plant is idle at the moment is almost immaterial in considering future supply, because there is always such a strong inducement to keep producing plants operating as much as possible. When they are idle the owner gets no return on the money invested in them, and besides this they deteriorate physically at the rate of 2 to 7 per cent. per annum. Even where there are agreements to restrict production in order to maintain prices, producers individually are always tempted to break away from these agreements and produce at the full capacity of the plants in order to get the profit on the larger volume of business. Thus idle producing capacity is always an indication that supply will increase; and but for short and exceptional periods of time, it is a reliable indication. Trust agreements for keeping production down, or gentlemen's understandings for the same purpose, work very well so long as there is business enough to go around. But whenever, because of reduced consumption or monetary troubles, there is a dearth of business, some of the producers are sure to break away from the agreement or understanding and begin cutting prices as a matter of self-preservation. Then the monopoly, pool or trust fails, and the rule of supply and demand reasserts itself. So it is that successful monopolies—that is, effective control of prices—have always been short-lived.

The Idle Capacity

If, then, there is now a large amount of idle producing capacity in the United States or the world, it is one of the surest indications that commodity and goods prices will come down, regardless of the wishes or power of any man or organization.

In looking at our industries one by one, it is observed that the amount of idle producing capacity is immense.

We have a capacity, for example, to produce about 44,000,000,000 feet of lumber per annum, whereas we are turning out only about 30,000,000,000 feet. The aggregate capacity of our steel plants is about 42,000,000 tons yearly, while we are producing at the rate of only about 27,000,000 tons. Our mines and smelters are able to turn out 2,000,000,000 pounds of copper annually, but for lack of a market they are turning out only about 1,200,000,000 pounds.

Soft coal mines in the United States have an annual capacity of not less than 586,000,000 tons, whereas they are producing at the rate of about 400,000,000 tons. Our anthracite mines have a yearly capacity of 99,500,000 tons, and are turning out only about 85,000,000 tons. Our cotton mills can produce cotton goods enough to use up 570,000 bales of cotton per month, but they are producing only enough to use up 475,000 bales. The world's 1918 production of grain and vegetables was between 20 and 25 per cent. below capacity; and its production of sugar was about 5,000,000 tons, or 25 per cent. below capacity.

Believers in the notion that present price levels are permanent must figure out in some way that all this idle plant capacity and a lot more is going to be kept idle. It is easy enough to show that producers in many lines would make money by keeping it idle; but the difficulty is that every man wants the other fellow to curtail production and put prices up, so that he himself can turn out his full output and get big pro-

Continued on page 16

THROTTLING BUSINESS BY LEGISLATION

A War Waging in U.S. Senate Against Drastic Regulation of the Packers

WASHINGTON.—The creation of government control of private business by "stifling, throttling legislation" was protested against in the Senate by Senator Fernald, republican, of Maine. He called the Senate's attention to the results of such a policy in regard to the transportation and communication systems of the country and said that if the same attitude was adopted toward other big American industries, such as the packing industry, business generally in this country would be slowed down and the public would suffer through higher costs and poorer service.

Senator Fernald added that at the moment complaining against the packing industry seemed suddenly to have become popular, because "that industry has grown to be of gigantic size." After mentioning the so-called Keynon and Kendrick bills to regulate the packing industry now before Congress, Senator Fernald continued:

"These bills actually create government control of the meat packing business and I assume were designed especially to control the business of the so-called 'Big Five.' I do not know why these five should have been singled out any more than the ten large packers—because there are many packing concerns—of course not so large as the first five mentioned, but in reality there are nearly a hundred which could be mentioned among the large business concerns of the country."

Then, said Senator Fernald, Senator Moses, of New Hampshire, introduced an amendment to the Kendrick bill making the licensing system proposed therein apply to any business; an amendment, he added, that was quite consistent.

"Certainly, said Senator Fernald, "if one line of industry is to be under Government control and subject to the dictates of the head of a department, all business should be treated alike. However, I do not believe that to be the policy of this Government. I cannot believe that the Senate of the United States feels—after the experience we have had with the Government control of railroads, telegraph and telephone lines that the policy should be continued. It would certainly lead to chaos and commercial bankruptcy."

The packers, said Senator Fernald, to-day occupy the unenviable position between producer, who wants his high prices and the consumer, equally anxious to buy his products cheap. To serve and satisfy both is in itself a problem.

UNITED STATES STEEL TRADE IS FACING A CRISIS

Efforts to Unionize Big Mills May Result in a Strike

THE POINTS AT ISSUE

The American Federation of Labor Has Big General Program, But Small Disputes Also Reported

It is doubtful if a crisis can be avoided in the steel trade in United States. It has been the ambition of the American Federation of Labor for a long time to unionize the steel mills, a project which has not succeeded. Latest information is that Judge Gary, head of the U. S. Steel Corporation, will not meet with a committee that is working on the unionizing of the mills. He believes that the bulk of the company's American employees prefer a continuance of the present arrangement under which the workers have been unusually well treated. A strike on the last day of August is spoken of as a very real possibility.

While the market has been chiefly under the influence of the labor situation, it can hardly be said that the trade at large fully appreciates the seriousness of the situation. The large mills probably do, but even that is not certain. Some of the small mills apparently do not. Buyers have been showing apprehension that at some time in the not distant future there may be a restriction of output through labor difficulties, but few buyers seem to have realized that matters were likely to come to a head by September 1st. That, however, represents an opinion based upon the best collection of information obtainable.

Labor Situation

There are really two labor situations. On the one hand the American Federation of Labor has been endeavoring to organize the entire iron and steel industry with the object of securing certain demands or calling a general strike. On the other hand several strikes have actually occurred, at widely separated points. In the past ten days, for instance, theer have been three strikes in the sheet metal industry alone, at Wheeling, W. Va.; Canton, O., and Newport, Ky. These and other strikes can hardly be regarded as directly a part of the American Federation of Labor program, for that contemplates a general strike and can hardly be aided by the men going off at half cock at this point and that. A definite indication that the detached strikes have no connection with the general program is that the strike at the steel and wire plant at Peoria, Ill., was settled a few days ago, and on the basis of the men being given a wage advance of 5 per cent., when their demand had been 12 per cent. advance. The Federation demands are much broader, and look more to working conditions than to mere wage rates. There is quite a collection of things they want, embodied in the list of 12 points formulated and made public July 20, including such items as the check-off, abolition of physical examinations, abolition of company unions, the eight-hour day, seniority to apply in employment and dismissals, etc.

Some Labor History

The effort to organize the iron and steel trade was inaugurated at the St. Paul annual convention of the American Federation of Labor last year. At the Atlantic City convention last June a report was made, showing the progress had not been up to expectations, and giving the principal cause of the slowness of the work the fact that many municipalities, particularly mill towns in the Pittsburgh district, would not grant permits for holding labor meetings. Organizing efforts were increased, however. Sunday, July 20, a meeting was held in Pittsburgh of representatives of 24 labor organizations, the meeting enunciating a set of 12 demands and ordering that a strike vote be taken, to be completed in 30 days, the vote to be on the proposition, whether the men would back up the "National Committee for Organizing Iron and Steel Workers" should it consider it desirable to call a strike. The strike vote was announced at Youngstown on the evening of August 20, but was merely to the effect that 98 per cent. of the votes were affirmative. There is no line on the total number of voters. A statement merely of the number of voters, however, would not be particularly illuminating, and certainly would not be conclusive, for if the voters comprised only 10 per cent., or 20 per cent., of the total number of employees the question would be whether they are men engaged in such work that their withdrawal would cripple operations. For illustration, one of the 25 unions is the "Switchmen's Union of North America." If these men quit others might or might not take their places, but if no switches were turned it would be minutes in some plants and only hours in other plants before operations would have to cease.

LOSSES BY STRIKES

Total of Over 14,000,000 Working Days in 18 Years

OTTAWA.—A pamphlet containing the proposed agenda of the National Industrial Conference on the subjects of industrial relations, labor laws, and for the consideration of the labor features of the peace treaty, which will open in Ottawa on September 15, has just been issued by the Department of Labor. In addition to the proposed agenda, which has already ben made public, the pamphlet contains various memoranda which will prove of value to those participating in the conference, as well as to all students of labor conditions. Statistics with regard to industrial disputes in Canada are given in great detail from the year 1901 up to the end of June in the present year. The pamphlet shows from 1901 to June 30, 1919, there have been 2,127 industrial disputes in Canada, involving 597,735 employees, with a total loss of 14,127,229 working days.

TEA MARKET PUZZLE

Usual Lower Price Influences Are Having no Effect

There is a very unusual situation prevailing at the present time in the world's tea markets. London, the great tea market of the world, is reported to be stocked to the extent of 180,000,000 pounds in place of a normal holding of about 80,000,000 pounds. Despite this enormous surplus, tea prices continue to mount, and stocks are released from this supply only at high figures. With the world's largest market so heavily stocked it might be expected that there should be an easier feeling on the primary markets. This is not the case, however, for the tenth consecutive week prices have advanced. It is now in the height of the fine tea season, and buyers are eager to secure supplies at almost any figure, but strangely enough, supplies are not coming forward. Large handlers are receiving shipments of hundreds where they are eager for thousands of pounds. It is not a matter of price; some strong influence is at work holding the world's tea market at figures that have only been equalled for one short period in the heart of the war years.

EFFICIENCY LESSENS AS WAGES ADVANCE

Pay Has Gone Up 170 Per Cent. and Productivity is Off 20 Per Cent.

NEW YORK.—During the past few years, or since the beginning of the war, steel wages have advanced an average of about 170%. In the same period the efficiency of the steel worker has decreased an average of probably 20%, as indicated by the figures of number of workers employed and annual production given the reports of the large steel companies. Actual labor costs, consequently, have advanced something like 225% on the average ton produced.

In the decade preceding the war steel reports showed a gradual increase in the tonnage production per men, chiefly due to the installation of labor-saving machinery. Since 1915, however, tonnage output per man has fallen off steadily. In 1918 average production of finished steel per man employed by the United Steel Corporation was only 52 tons, against 56 tons in 1917, 61 in 1916 and 62 in 1915.

Wages per ton of output advanced from $15.03 in 1915 to $32.68 in 1918. As the average daily pay of the Steel Corporation's employees in December last was $1,950, compared to a general average of $1,685 for the whole year 1918, it is almost certain that the ton wage to-day is considerably higher than the $32.68 average for last year.

Similar conditions are shown in the case of Republic Iron & Steel which had an annual output per man employed of 93 tons in 1915, reduced to 70 tons in 1918. Republic's average wage per ton increased from $8.30 in 1915 to $23.20 in 1918.

The apparent discrepancy between the tonnage labor costs of United Steel and Republic is explained by the larger number of more highly finished products made by the Steel Corporation and the large number of men it employs on its railroads and other lines not directly connected with steel manufacture.

A contract will be awarded soon for a new Strand Theatre at Toronto, to be erected on the site of the present building and on land adjoining, of which a long lease has been obtained. The building will cost $400,000.

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U.S. STEEL CO. ASKS BLACK LAKE FOR CHROME OPTION

Negotiations Will Be Entered Into in Few Days

A HEAVY BLOW

Refusal of $1,000,000 Option and Passing of Dividend—U.S. Company Would Pay Royalty

After the first disappointment at the passing of the bond interest due on September 1, on $1,200,000 by the directors of Black Lake Asbestos and Chrome Company, hope has sprung up at the new prospects of a favorable result of an offer by the United States Steel Corporation to arrange a lease of the property and itself develop the chrome ore. THE FINANCIAL POST understands that negotiations will be begun in a few days between representatives of U.S. Steel and Black Lake Asbestos. If any conclusion is reached and the U.S. Company does begin development work there should be a handsome return to the Canadian Company from royalties. Just as the option of $1,000,000 of the corporation was a *bona fide* one, dependent on the report of their engineer, Julius Kellerrshon, for its acceptance or rejection, so it is learned the option on a lease is now pending, which was given to the United Steel Corporation at their request. Such a lease runs for a number of years, and is made on a royalty basis. The lessees, as a rule, instal their own machinery, and employ their own methods of mining, in order to bring the cost of development and production down to the lowest possible point. The equipment becomes the property of the lessors at the expiration of the lease, or if the lessees, finding it unprofitable, abandon the lease. The lessees may be required to pay a mining royalty and take out not less than a specified number of tons annually, so that the property will not lie dormant, but will produce a yearly revenue to the lessors.

Action of the Market

While the price has declined from the high record of the war, and now runs around $28 to $30, but even at this figure a handsome margin would be allowed the mine.

The passing of the bond interest drew forth strong protests as it followed favorable reports that had been made officially on the absestos production and prospects. The reason assigned was that, legally the amount required, $36,000, had not been earned in the preceding six months. *The Financial Post* understands that some old accounts, which should have been paid in 1918, were charged up against the earnings of the first six months of 1919, and that the company had a considerable amount of asbestos unsold at the end of the six months. In the case of this company a rather unusual practice is observed, an ideal one probably, although in this case it marked out unfavorably to all classes of security holders, namely, every month depreciation is charged against earnings, running about $4,000 to $5,000 a month. With the winter months, the lean ones in mining, included the first half of the year is usually not nearly so favorable in production and net earnings as the latter part.

Slump in Prices

Preceding the announcement that the option had not been taken up, and an extension of it refused, there had been heavy buying of the bonds and preferred and common stock. The double blow caused a slump and the bonds which were 55 fell about 20 points, while the preferred was cut in two from 35, and the common which had been up to 10-11, disappeared from the quotation table.

WABASSO COTTON MILLS AT CAPACITY

All the Domestic and Export Business They Can Handle

By Resident Representative.

MONTREAL.—At the annual meeting of Wabasso Cottons at Three Rivers on Thursday, the old board was re-elected as follows: President, C. R. Whitehead; vice-president, Jas. W. Pyke, and in addition W. G. E. Aird, Three Rivers; R. N. Ball, Woodstock, Ont.; Lt.-Col. W. I. Gear, Montreal; Wm. Harty, jr., Kingston; Hugh Mackay, K.C., Montreal.

The mills of the company, THE FINANCIAL POST learns, are working to capacity, and this condition bids fair to continue for many months to come. This will ensure the record of last fiscal year being well maintained, as the industry is in the position of a greater demand existing for domestic and export business than can be handled by the mill running to its utmost capacity. Price lists have been issued to the wholesale trade for spring, 1920, at about the same level as last fall. This means that the reductions made in April last have all been wiped out. The price of the stock following its rise, in anticipation of the increase in dividend to par, has held well at that point. The payment of 8 per cent. dividend regularly one year and one month after starting dividends is a record among Canadian industrials that it would be difficult to duplicate.

WESTERN CANADA DIVIDEND

Common Stock Gets Attention First Time in Two Years

The recent flurry in the common stock of the Western Canada Flour Company brought this stock to the attention of the public for the first time in two years. At that time the stock made an advance of from 140 to 170. It has been generally known that the company has been doing a very satisfactory business, and the only reason that trading has been so limited is the fact that the stock is held in comparatively few hands, and there is no inclination to dispose of it. The regular quarterly dividend of 2 per cent. was announced this week, and in addition a bonus dividend of 2 per cent. for the quarter. This is very closely in line with last year's showing, when the company declared an 8 per cent. dividend and a stock bonus of 10 per cent.

B. C. PACKERS

While there is somewhat of a feeling of pessimism over the failure of the sockeye pack, and the very uncertain future that attends the fishing industry on the Fraser River, general conditions appear to be somewhat more favorable than was anticipated a short time ago. The Cohoe pack has shown some improvement, while pinks and chums will in all probability be a 100 per cent. pack. With a splendid market for all the better grades, and with improved conditions favoring the sale of the less desirable grades, there is a promise of a fairly satisfactory season despite the comparative failure of the sockeye run.

NEWSPRINT MILLS MUST PAY BACK ABOUT $100,000

Paper Tribunal's Decision of Little Real Importance

MAY GET MORE

Mills Hopeful of Price for Past Nine Months Being Raised—Appeals Still to be Heard

The Paper Tribunal's decision in the appeal from the Paper Controller's order, by which the fixed price on newsprint was reduced from $69 to $66 a ton while a little disappointing to the paper mills, will have little material bearing so far as the mills and their shareholders are concerned.

In the first place the decision covers merely the period between July 1 and December 1 of last year, and does not affect the price for the nine months since that time. The price of $69 as fixed by R. A. Pringle, K.C., the Paper Controller, remains for the subsequent period, and will remain at this price unless it is varied by a further ruling of the judges. These can only be made after there have been additional hearings in connection with appeals that are pending by both parties as against the existing fixed price.

As to what the price since December 1, 1918, will be finally, the mills feel confident that the higher costs will at least continue the $69 in effect, and any change is more apt to be a revision to a higher amount rather than a decline.

In support of this confidence they cite the minority judgment of Judge Archer, who, while willing to reduce the price to $6 for the months of July, August and September, says he would have supported a judgment allowing $69 a ton for the two last months of October and November—and, it is argued, at least $69 for the subsequent period covered by higher costs of production.

A second point is that the judgment does not, as the first report represented, imply a refund of $150,000 on the part of the mills to the publishers, which would represent a consumption in that period of 50,000 tons. Inquiry by THE FINANCIAL POST shows that the export figures for the five months amounted to 347,950 tons of newsprint. Ordinarily the domestic consumption represents about 11 per cent. of the total, but the judgment does not cover the consumption in British Columbia, so that 9 per cent. to 10 per cent. allowance would be a fair percentage. Nine per cent. would amount to 31,315 tons, or $93,945 refund, or $100,000 roughly. As against this, the eastern mills are granted a refund of $28,000, so that the adverse judgment means a matter of a little over $70,000.

The following are the revised amounts the various mills are to pay to the Fort Frances Pulp and Paper Company: By the Abitibi Pulp and Paper Company, $7,915.35; by J. R. Booth, $4,302.13; by Brompton Pulp and Paper Company, $5,026.88; by Donnacona Pulp and Paper Company, Ltd., $8,051.24; by Price Brothers and Company, Ltd., $6,544.56; by the Ontario Paper Company, Ltd., $6,554.46; by the Spanish River Pulp Company, Ltd., $25,846.03; by the St. Maurice Paper Company, $8,266.43. Total, $72,507.12.

As to which side won, a paper mill man made the following statement:

"The press report dealing with the decision mentions the fact that the manufacturers contended for a price of $80 a ton. On the other hand the publishers, both before the controller and the tribunal, contended that $50 a ton was a fair maximum price, their brief stating that 'at $50 per ton for roll news the highest cost company will receive a profit slightly in excess, and the lowest cost companies a profit considerably in excess of any profit shown by the evidence to have been received by any company prior to the investigation.' By the judgment rendered, therefore, the manufacturers fall short $14 a ton of achieving their extreme demands, while the publishers fail by $16 a ton to get the price asked by them."

CANADIAN LOCOMOTIVE

President Wallace, of the Canadian Locomotive Co., informed the Metal Workers' Union that the company sees no object to be gained by appointment of any Board of Conciliation and declines to consent to the appointment. Inasmuch as no settlement was arrived at through the efforts of a civic committee it would appear that unless the men are prepared to accept the offer of the company the works would remain closed indefinitely.

GENERAL ELECTRIC

The market for Canadian General Electric has shown some tendency to ease off this week with the price down to 108½, the lowest since early in May.

BARCELONA TRACTION

There was a slight improvement in the market for Barcelona Traction this week when the price strengthened to 10, the best since the middle of July.

CANNERS EXPANDING

Have Secured Old Bell Telephone Building at Hamilton

The Dominion Canners have purchased the old Bell Telephone Building on Hughson Street South, Hamilton, Ont., and will use it for headquarters. The change will not be made immediately as several of the present occupants of the building have leases with some time yet to run, and it is not likely that the transfer will be made inside a year.

There is a report also that the company is going to erect a large jam factory in Hamilton, where there present jam plant is located. It is well known that the company's business in this line has been one of its most successful departments, and, while confirmation is lacking for the factory in Hamilton, where their is reason enough to justify the assumption that some increase in plant in this direction may be expected.

TRAMWAYS MEETING

Postponed Owing to the Delay in Commission Passing on Figures

By Resident Representative

MONTREAL.—The shareholders at the annual meeting of the Montreal Tramways Commission held this week were confronted with the inability of the company to present the annual statement as the figures must be passed on first by the auditors of the Tramways Commission, according to the terms of the contact. Accordingly it was decided to adjourn until Sept. 25 at noon, and the by-law was amended so that the meeting in future can be called for the month of September instead of August. It was reported that the Commission had approved all the expenditures of the company, and as a result an allowance of $40,000 was given them. This, as the vice-president, J. W. McConnell, remarked, must not be taken to mean that there was a surplus; as a matter of fact the Commission's report places the deficit for the year ending June 30, 1919, at $1,077,000, or a total deficit for the sixteen months ending June 30 at $1,371,000.

DIVIDEND ACTION ON SPANISH RIVER

Policy to be Considered at Meeting Called for Toronto, April 18th

At a special meeting of shareholders of the Spanish River Pulp & Paper Company to be held in Toronto on Thursday, Sept. 18, they will be asked to take one more step in organizing the financing of the company on a basis that will permit of action being taken on the arrears of preferred dividends, along the lines that have been mentioned in THE FINANCIAL POST. This will be to authorize the issue, sale and pledge of $5,000,000 6 per cent. serial mortgage lien notes, of which however, only $3,500,000 will be sold at this time. It is stated that the funds thus obtained will be used to liquidate on Feb. 1 next the talons and promissory notes issued in respect of deferred interest on bonds and notes due in 1922, and to pay off on March 1 next the second mortgage debentures maturing in 1924. When these payments have been made the company can consider the payments of dividends upon its capital stock, which otherwise would have to be delayed until the repayment of the deferred interest in 1922.

It is stated that the $3,500,000 portion of the issue has already been underwritten by Peabody, Houteling & Co., of Chicago, a well-known house that is interested largely in pulp and paper issues and has appeared before on several occasions in connection with other issues in Canada. It is expected that a portion of the proceeds of the notes not required to meet the other obligation will be applied towards the new paper machines that are being installed, and will increase the company's production by 100 tons a day, bringing it to 600 tons daily. The first of these machines will be ready by the end of the year.

At the annual meeting it is expected that an announcement will be made of the intention to start paying current dividends on the preferred, and that some plan for meeting the arrears of 35% will be made known. The statement will be the best the company has shown. The stock has continued firm this week with little activity compared with recent buying.

MAPLE LEAF

Common stock of the Maple Leaf Milling Company reached a new high under very light trading this week. Two days' trading maintained prices at the highest figures yet recorded for the stock. The trading was too limited to indicate anything other than a general confidence in the stock, and an assurance that even under the new price conditions the company would be able to maintain its satisfactory business. The range for the week was from 179 to 180½, as opposed to a previous high of 178. The preferred ranged from 105 to 106.

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The consolidation has strengthened appreciably the position of the company both physically and financially, thereby assuring its future as a stable and substantial dividend payer.

Quite obviously, therefore, it is to the decided advantage of present shareholders to convert their holdings into new stock, carrying as it does a substantial bonus, rather than to dispose of their shares at prevailing prices. Moreover, it must be clear to every shareholder that the possibilities for profit are greatly enhanced by the consolidation.

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The proceeds of this offering of Preferred Stock will provide the additional working capital required to meet the great increase in volume of building now offering.

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CAPITALIZATION

Authorized - - - - - - - - $2,000,000

10,000 shares of 7% Cumulative Preferred Stock.
10,000 shares of Common Stock.

THE Anglin organization has been operating for thirteen years in Montreal and throughout the Dominion, and has specialized in industrial buildings. The Norcross Company has been in successful operation for over fifty-three years and has built literally hundreds of America's biggest buildings. During the past six years, these two firms have jointly done over $9,000,000 of work in Canada, an average of $1,500,000 per annum, and that, despite adverse war conditions. Since March 1st, under the new organization, over $650,000 of new contracts have been signed up and are now under construction. This is in addition to about a million dollars of work in hand at the time of amalgamation.

On the basis of a fair average net profit, after deducting overhead charges and depreciation, a minimum of $2,000,000 turn-over per year would provide earnings to pay all charges and preferred dividends and earn about 8% on the entire outstanding Common Stock. On the same basis, $3,000,000 of business would earn about 14% on the Common Stock.

NOTE : Where fractions arise in distribution of bonus in common shares, such fractions will be adjusted in cash on the basis of $32. per share.

We consider this stock one of the best securities now available for public investment.

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NO EVIDENCE OF PROFITEERING BY CANADA BREAD

The Profits Were Materially Lower Than Recent Years

UNSETTLED CONDITION

The Government Regulations, Strikes and Higher Operating Costs Were Among Difficulties Encountered

There is no indication of "profiteering" in bread in the annual statement of the Canada Bread Company. In fact, as the result of restrictions by the Government and strikes at Winnipeg and other cities, together with higher operating costs, the profits show a material reduction from previous years. The manufacturing returns were only $176,208 as compared with $205,771 in the 1918 year, $199,107 in 1917, $223,771 in 1916 and $287,195 in 1915. Further, attention may be called to the fact that the figures given for 1918 and 1917 were after allowance had been made for appreciation which would seem to account for at least an additional $50,000 of profit in each of these years, that being the amount deducted in 1919 and 1916. While the balance carried forward a year ago was $153,523, a reduction should be made of $39,818 for business profits war tax for 1915-16-17 before comparing with the balance carried forward on June 30, 1919, of $103,418. Following are comparative figures:

	1919	1918
Man. profits	$176,208	*$205,771
Bank interest	19,944	20,434
Pref. div.	87,500	87,500
Com. div.	.....	50,000
Depreciation	50,000	.....
Bond interest	67,989	68,938
Balance	103,418	153,523

*Exclusive of depreciation in 1918.

Explaining the conditions under which the company operated throughout the year, Mark Bredin, president and general manager says:

"Our statement shows that our finances are in a strong position; we have on deposit in the bank $318,892.50, and, in addition, we hold $250,000 in war loan and Victory bonds. And now that the great war is over and our men almost all returned, we are looking forward to the investing of our surplus funds by establishing more branches at prominent points during the present year. During the year our trade has passed through very unsettled conditions; from July 1 to November 18 we were using a fixed percentage of substitutes by order of the Canada Food Board. This order was suddenly cancelled, leaving on our hands a large quantity of said substitutes, all costing higher than flour. But with the withdrawal of the order the price dropped rapidly, causing us a considerable loss, as we had to dispose of what we had in stock. . .

"All have heard of the great Winnipeg strike in which we, with others, were involved. Our waggons were off the road from June 3 to June 28, and, although we manufactured bread right along, still we did not have our usual volume of business, and our results were accordingly affected. We have also had labor troubles in Montreal and Toronto, all leading to higher costs for conducting our business."

Assets have increased from $5,109,150 to $5,170,869. Cash assets and investments amount to the comfortable sum of $579,000, or more than half of the bond indebtedness of $1,132,000.

DOMINION STEEL

Production Likely to be Very Limited For Some Time

Very small selling of iron has taken place in the last few weeks, in fact, the dealings are hardly worth mentioning when compared with the normal volume of business that is done in this security. Production is likely to be very limited at this plant for some time. A despatch from Sydney on the 25th intimated that the blast furnaces and open hearths would commence closing down on that date, the statement being made by H. E. Rice, general superintendent of the Dominion Iron and Steel Company. These will be followed by the blooming and billet mills very shortly. Some five hundred men will be affected by the closing down of the departments, but as has been stated before, the greater number of these are being absorbed in other departments and in the work of overhauling, which is being commenced immediately. The coke ovens will also probably be affected in the very near future, owing to the lack of demand by the other departments, but a complete closing down there will not likely be necessary, according to Mr. Walton, superintendent of the ovens. The rail mill is still completing some orders still in hand.

Officials of the company state that they do not know for certain when operations will be taken up again.

BRAZILIAN TRACTION

Brazilian Traction has been the most active stock in the Canadian trading this week with sales of 2,00 to 3,000 shares per day. The price tendency was generally easier, going as low as 50*, with the bulk of the business around 51. A fortnight ago this stock was around 57.

PRESSED METALS EXTENDS

Building American Plant to Get Detroit Trade in Bushings

The Pressed Metals Company of Canada is establishing an American plant at Port Huron, in an endeavor to capture some of the American trade. The plant, which will cost about $600,000, will make bushings for motor cars, and will have a capacity of about 100,000 to 120,000 bushings a day. Officials of the company say contracts they hold with Detroit auto manufacturers will absorb the entire output of the new plant, and they prophesy the construction of a second unit within a year.

During the war the Pressed Metals Company had a large production of shrapnel tubes, manufacturing 30,000 to 40,000 a day.

GOVERNMENT IS USING GRAIN TRADE TO MARKET WHEAT

Continued from page 1.

divulged by the board the minimum of red tape will be used, but a certain amount of red tape is unavoidable and clerical work means money and time. The time to get all the forms printed, secure the necessary machines, etc., has been short, and great difficulty has been experienced in getging supplies—and supplies of printing and lithographing at short notice are never cheap. This is where the cost of handling under the Government method is likely to prove more costly than the competitive method of the Board of Trade, and it may be more costly than last year's handling through the Board of Grain Supervisors when there was no extra clerical work involved such as now necessitated by the pooling of the amounts received over and above the first advance on the wheat. The arrangement of this clerical work, however, has been placed in very capable hands, and while it has not yet been possible to actually test it out, it looks as if the outlay per individual bushel of crop handled would be small. As soon as it is in actual operation a detailed story of its working will no doubt prove of interest.

$2.30 is Not Final

Some of the Western press is making great capital of the fact that $2.30 has been fixed as the price for miller to buy the new crop claiming that it indicates the full price which farmers may hope to receive and that out of the difference between $2.15 advanced and the $2.30 paid by the millers, all carrying charges must be paid leaving a very small additional margin to any man out of the pool.

I am not holding any brief for the Government method of handling the crop it is ill advised and cumbersome, but there is no sense in making matters out worse than they are. The price made to the millers is not in any sense final, the Board has power under the order in council creating it to change this price to millers at any time should the price in the world markets advance or decline.

The personnel of the Board is a good one, the chairman is without doubt the only man who could have been selected who has the chance of making a success of the job. the work has proceeded as rapidly as has been humanly possible and at the present time the only thing to be done is apparently to make the best of a bad job, it is too late now to alter the Government plan.

$450.000 FOR BREWERIES

Extensions Decided on by National Breweries

By Resident Representative

MONTREAL.—The city of Montreal has issued a permit to National Breweries to make extensions to their main plant of $450,000. This is done to cope with the heavy increase in the orders that are being received.

PORTO RICO

Gross earnings of the Porto Rico Railways Company for the month of July amounted to $86,496, as compared with $87,256 for the same month in 1918, a decrease of $760. Net earnings at $33,967 showed a falling-off of $7,267 or 17.6 per cent. For the seven months ending with July the gross totalled $654,466, an increase of $60,462, or 10.17 per cent. while the net at $244,088 showed a decline of $27,276 or 10.05 per cent.

INTERNATIONAL NICKEL

There has been some improvement in the domestic demand for nickel metal in the last few months, but no improvement in the foreign demand. Domestic consumers are gradually cleaning up their reserves, laid in during the stress of war requirements, but the stock of nickel held abroad is still very large and new buying practically nil.

Plants of the International Nickel Co. at Bayonne and Port Colborne are now operating between 35% and 40%. This compares with average operations of about 33 1-3% of capacity during the quarter ended June 30 last. During that period the demand for nickel metal was at its lowest point, numerous big steel companies refraining from buying and cleaning up their accumulated supplies and scrap nickel which they were not able to do during war production.

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By Order of the Board.
E. SAUNDERS,
Managing Director.

Toronto, 26th August, 1919.

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MONTREAL TRAMS SHOWS NECESSITY FOR HIGHER FARES

Million Dollar Deficit Confirmed by Final Figures

EXPENSE RESPONSIBLE

An Increase of 80% in Charges in Receipts During Year

By Resident Representative

MONTREAL.—The million-dollar deficit announced in last week's issue of the FINANCIAL POST as the result of the past year's operations on the Montreal Tramways system by the Tramways Commission was confirmed this week when the actual figures were made public. For the year ending June 30, 1919, the deficit according to the basis adopted by the Commission was $1,077,358, the total receipts being only $8,645,547, whereas the expenses amounted to $9,722,906. This allows for the payment of $500,000 to the city as an annual sum for the use of the streets as provided for in the agreement of last year.

In addition, the commission reported a further deficit under the terms of the contract of $286,752, for the period between Feb. 10, 1918, and June 30, 1918, the early period of the Commission's operations, the receipts were $2,926,662 and the ordinary expenses, $2,069,495, and the fixed charges allowed by the new contract, $1,143,920, making the deficit for the 16 months, $1,364,111. The annual report of the company may show a different method of arriving at the expenditure, but for the purposes of fares the Commission is empowered to allow a fixed rate of interest on the physical assets, $500,000 a year payment to the city and other charges that have been explained before.

Must Increase Fares

The net result of the condition of affairs is that the fares must be increased in Montreal and the outlying municipalities served by the system. One year ago the Commission raised the regular fare from six tickets for 25 cents to five or six cents cash fares, with the night fare increased to 15 cents in place of five for most of the time. The expectation is that the cash fare will be at least seven cents and the ticket charges raised to four for a quarter. It probably will be necessary to decrease the privileges for workingmen.

For the estimate of the requirements of the system for the coming year is $12,000,000, allowing for the present estimate and the increase of wages that will reach close to $1,000,000 during the next twelve months. When this deficit has been wiped out the rates may be able to be lowered for the year 1920-21. The question will be settled by another conference with the municipalities interested.

What of the Dividend?

As to when the shareholders of Montreal Tramways Company are likely to receive a dividend, which was passed over a year ago, the question still remains undecided, and indeed the chances with the heavy deficit this year are not bright for many months to come. Whether it will be considered as a sort of cumulative affair has not been pronounced on yet.

In speaking of increases in wages, the Commission informed the municipal representatives that between 1915 and 1919, wages in this line had increased 55%, total expenditures were up 80% in the same period, but revenue had gone up only 30%.

Thus the total expenses of operation and taxes grew from 1915-16, when they were $3,707,053, to $6,672,140 in 1918-1919.

Other figures for the past year were:

Passengers carried	249,062,211
Paying passengers	183,350,923
Transfers	65,711,288
Percentage to pass.	35.8
Gross rec. per pass.	3.47 cts.
Gross per pay. pass.	4.72
Rec. per pass. transp. only	4.63
Total oper. costs and taxes per paying pass.	3.64

The gross receipts per mile of total lines (262.256) were $32,965.

Out of the total gross receipts of $8,645,547, there went for operation and taxes, $4,990,665, expenses of upkeep and renewals, $1,681,474. The percentage of the former to gross receipts was 57.72, and the latter 19.44.

The costs of operation were 77.2 of the gross receipts.

In the discussion of fares it was shown that a revenue increase of 40 per cent. would be required for the new year, and 25% for the following year.

The 40% increase would raise the average fare from 4.8 to 6.72 cents.

Three hundred thousand workers in twenty states are now idle, involved in 65 strikes, according to a tabulation by the New York *World*. Including members of families of strikers, 1,000,000 persons are affected, and loss of wages amounts to $1,500,000 daily.

KING EDWARD FINANCING

Rasing of Funds To Be Handled By Jarvis & Co.

While as yet there are no details available regarding the raising of finances for the new King Edward Hotel, it is announced that the arrangements for floating the necessary issues will be in the hands of Aemilius Jarvis & Co., and the scheme will be similar to that followed in connection with the financing of other projects of the company.

Preferred stock or bonds or both will be floated locally with a bonus of common stock, and the issue is likely to be popular in view of the success of the present venture here, and the company's whole record. Plans are being forwarded to get construction work under way as soon as possible.

WHEAT BOARD SETS PRICES FOR FLOUR

British Buying Will Regulate Output of the Big Concerns

The price of flour from this season's wheat has finally been set at a maximum price of $10.90 net cash, Montreal, for Western spring wheat flour, and $10.10 for Ontario. These are the prices that will rule in the purchases of the Wheat Board. As the board owns all the wheat the millers will purchase from them at a price which totals $2.30 in store, Fort William. This is fairly satisfactory to the mills, providing that business is available, that is to say, export business. This matter is still somewhat uncertain, and there is a very been remembrance of the hard days of the past year when there were no British purchases, and when it appeared very dark indeed for the industry. Now the whole matter is dependent on British buying that will keep the mills running at a capacity output. Given this, the mills will be able to show a satisfactory profit. Some of the smaller mills will face rather serious conditions owing to the increase in cost of wheat in store at Fort William, which figures up 2½ cents higher than last year. Even this comparatively small item is a serious factor in mills having a small turnover. What operates to the disadvantage of the small mill, has, however, the effect of diverting business to the larger organizations, and hence of operating to their benefit.

While officials of the mills are still very uncertain as to what the future may hold for them, they are inclined to be optimistic, and to believe that despite the limitations of various set prices they will come through the season with satisfactory balance sheets.

LAKE SUPERIOR CORPORATION

Proposal Submitted For Settlement of Railway Bondholders' Claims

At meeting of the Lake Superior Corporation directors, President Cunningham presented to the board proposal of the subsidiary railway bondholders for settlement of their claims.

The board now has the proposal before it, but has not yet had sufficient time to consider it and determine action on the matter.

Members of the committee proper who have returned from London, where they met English bondholders of the subsidiary ralways, would not discuss details of the offer for settlement, but appeared to be gratified with the result of their visit.

Directors ordered payment of the annual 5% income bonds October 1.

DULUTH-SUPERIOR

The Duluth-Superior Traction Company reports gross earnings for the third week of August amounting to $39,576, as compared with $32,441 for the corresponding period in the previous year, a gain of $7,135 or 21.9 per cent. For the first three weeks of the month the earnings totalled $114,633, an increase of $18,055 or 18.7 per cent.

STEEL OF CANADA

Very light trading has been done in Steel of Canada common. This is in common with the quiet period into which steel securities seem to have passed. The company has voted, according to Hamilton despatches, a ten per cent. increase to its employes, applying, apparently, to the Hamilton works. Common has centred during the week at 66, with fractions up and down. At present figures it is a nine per cent. investment.

NOVA SCOTIA STEEL AND COAL

Operating conditions at the plants of the Nova Scotia Steel and Coal Co. are improving, according to W. D. Ross, vice-president, who returned from Montreal, where he had had a conference with President D. H. McDougall. The coal mines are now operating at full capacity, and the New Glasgow steel plant is going at about sixty per cent. This is an improvement on recent reports, especially in regard to coal. The outlook, Mr. Ross said, seemed to show a steady improvement. It was difficult to forecast the future, but at present he felt a new confidence in the situation. Mr. McDougall had just returned from the iron ore mines at Wabana, which he had visited for the first time since becoming president of the company. He was delighted with the property, and with the tremendous ore bodies showing, there being a thickness of 26 feet, showing iron contents of 53 per cent. Iron ore is being produced at a good rate.

$400,000 ISSUE OF PREFERRED ON RECENT MERGER

Result of Amalgamation of Anglin's and Norcross Brothers

FOR BIG CONTRACTS

Making 6% on Turnover—Bonus 50% of Common—Statement of Financial Position

By Resident Correspondent

MONTREAL.—An issue concerned with building contractors is being announced this week. This is $400,000 7% cumulative preferred shares of Anglin-Norcross, Limited, at par, 100, with a bonus of 50% common stock. This issue is being placed on the market by the Atlas Bond & Security Corporation, Limited, of Montreal and Toronto, and is the result of a merger of two contracting firms, that of Anglin's Limited, and the Canadian branch of the Norcross Brothers Company of Worcester, Mass. Both of these have been doing business in Canada for a number of years and have large buildings to their credit. The arrangement is that J. P. Anglin, head of Anglin's Limited, will be the head of the amalgamation, and Henry J. Gross, vice-president of the United States organization, who has been in charge of the Canadian work of the Norcross Company, will come to Canada and give his entire attention to Anglin-Norcross Limited, as vice-president and treasurer.

The Anglin Company has made a specialty of industrial buildings and is at present engaged on the Crane Co.'s factory, and constructed the Vickers shipbuilding berths among others. The Norcross Company built the $13,000,000 public library in New York, and Mr. Gross is completing the $8,000,000 Marshall Field Museum in Chicago. In Canada, the Drummond building, B. N. A. Bank and many more were built by them.

The financial end of the new company consists of three issues, bonds of $130,000 which were issued a few months ago, preferred stock of $700,000, and common stock of $1,000,000. Of this preferred stock there has been issued already to the interests in the two companies an amount of $300,000, in addition to which there will be the new issue of $400,000. Then there is $650,000 of common stock already held and $200,000 more will be required to go with the full amount of $400,000 of preferred on the fifty per cent. basis. This will leave a balance of $150,000 in the treasury of the authorized $1,000,000. It is stated in the prospectus that the proceeds of the offering of preferred will provide the additional working capital required "to meet the tremendous increases in volume of building now in sight, especially in high-class construction in all parts of Canada."

To Handle Up to $5,000,000

The company with this additional capital, it is declared, will be able to handle contracts up to $5,000,000 per annum, the goal set within the next two or three years. This new capital will be used chiefly to finance large contracts on a percentage basis, which by the way is becoming the approved method where labor and material costs are so uncertain. It is declared that there are few firms in Canada who can handle "big" jobs. For some years past the earnings of the companies separately have averaged about 6% of the yearly volume of contract business. During the past six years the firms jointly have done over $9,000,000 of work, in spite of adverse war conditions. The two had in hand contracts amounting to $1,000,000 at the time of amalgamation. The prospectus figures out that on the basis of a fair average net profit that a minimum of $2,000,000 turnover in a year would provide earnings sufficient to meet the bond and preferred dividends, and earn about 8% on the common, and that $3,000,000 turnover would raise the common earnings to about 14%.

Assets and Liabilities

A statement is given showing current assets and liabilities of the companies as at March 1, 1919. This shows cash on hand of $54,942, which more than balances the bank indebtedness of $50,579. Accounts receivable and expenditure on work in progress amount to $261,482; plant, machinery, etc., to $132,859; yards, office buildings, shops, etc., $188,957, and mortgages receivable to $35,240. Of the liabilities the largest amount is $140,837 for accounts and bills payable; the late bond issue of $130,000; the bank loans mentioned and an amount set down for contingencies of $20,000. This makes a total of liabilities, $341,416 as at March 1, which does not include, of course, the issue of $400,000 of preferred stock that is to be made, while on the other hand the assets amount to $673,481.

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QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT. for the current quarter, being at the rate of

TEN PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

WEDNESDAY, THE FIRST DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fifteenth day of September.

By order of the Board.

GEO. H. SMITH,
Assistant General Manager.
Toronto, Aug. 27th, 1919.

Announcement is made by the Imperial Oil Company that drilling will commence in the foothills south-west of Lethbridge, in what the company declares will be the final test to prove whether Alberta has oil in commercial quantities.

The Robbins and Myers Company, of Springfield, Ohio, would locate a Canadian branch in Brantford, particularly to secure the British Empire export trade. They are the world's largest manufacturers of small electric motors and fans, and will employ three hundred hands to start.

THE ALBERTA OIL FIELDS ATTRACT BIG INTERESTS

Millions Are Being Spent on Development Work in West

A GIGANTIC GAMBLE

Natural Indications Are That the Greatest of All Petroleum Resources Are Yet to be Discovered in Canada

Although public interest has to a large extent lapsed since the bursting of the Alberta oil bubble a few years ago, the quest of petroleum in Western Canada has not subsided. At the present time exploration work is being carried on in a most extensive and comprehensive way by the big oil interests. When it is considered that there are strong indications that the greatest subterranean reservoir of petroleum in the world lies undiscovered in the Canadian West the rival efforts to locate this reservoir are not hard to understand.

Writing in the Magazine of Wall Street, Walter Noble Burns describes the efforts now being made as resembling an exciting game of roulette. The stakes are tremendous. If the vast oil bed is found it is believed it will be a source of wealth which will rival the goldfields of the Rand or Klondyke or the diamond mines of Kimberley. If the discovery proves up to expectations the oil deposits of Pennsylvania, Texas, Oklahoma or Tampico may seem as bubbling springs beside a geyser. Nor is the belief in this hidden oil wealth a day-dream of prospectors. It is based on careful investigations of expert geologists. The rock formation of the country, the abundance of natural gas, a thousand surface indications lead to the logical conclusion that deep in the lower strata of the country lie untold riches in oil.

Great combinations of capital, including two of the most powerful oil companies in the world, are now sinking wells everywhere in a mad race to be the first to unlock the secret treasure. This feverish activity which is costing hundreds of thousands of dollars, is a good indication of the confidence of the monied interests in the ultimate success of the search. Capital does not, as a rule, buy dreams, and usually knows what it is about when it makes large investments. Describing these activities, Mr. Burns says:

The race between the Standard Oil Company, with a few billion dollars behind it, and the Shell Transport Oil Company, one of the richest of the English oil concerns, is what turfmen would call a pretty one and the American company has jockeyed into the better position and seems to have the rosier prospect of winning.

The Shell Transport Company, capitalized at $50,000,000, played for a monopoly in the field and lost and has now been compelled to take its chances with its rivals in the general sweepstakes. It made a proposal to the Canadian Government to take over a grant of 250,000 square miles of territory in Northern Canada, including most of the oil country, and agreed to pay the Government 50 per cent. of the profits on all oil struck and in the end to keep as its own 25,000 square miles after five years of drilling. The Dominion Government rejected the proposal. To hand over to a single corporation a monopoly on such potentially vast riches did not appeal to Canadian ideas of fair play. If the proposal had gone through, the 25,000 square miles which the company wanted as its own, possibly would have developed into the richest spot in the British Empire.

The Standard Oil Company, through its Canadian subsidiary, the Imperial Oil Company, has gone ahead on the principle of "may the best man win." It announced in the spring that it would spend half a million dollars, in prospecting for oil this year. It outfitted for an extensive campaign at Edmonton, shipped in drilling machinery and organized expert crews. It now has five expeditions in the field and is sinking its wells in the districts in which the oil prospects are most abundant and promising.

Its drilling crews are at work in the prairie country east of Edmonton along the transcontinental line of the Canadian National railway, in central Saskatchewan and Alberta, and in Northern Alberta along the Peace River Valley; in the tar sands region along the Athabasca River; in the district between Lake Athabasca and Great Slave Lake; and along the upper Mackenzie River, 1,000 miles farther north than an oil well ever was driven before.

In addition to these two big corporations, several Canadian companies are at work. The Consolidated Oil Company has set up its drills along Peace River. Captain James Anderson represents a group of British capitalists who are operating in the tar sands region. Smaller companies and individuals control half a hundred drills in the tar sands district along Peace River.

Should the present efforts result in success there will undoubtedly be a great fight between the Standard Oil Company and the Shell Transport Company to get control of the fields. This is a phase of the situation which should appeal to the small investor. These big concerns which conduct pioneer operations and which are in a position to market the product to the best advantage will naturally buy up the best available properties. At the same time, while the fever of the big find lasts the investment market will be flooded with the offerings of many small projects, some of which may be floated on a staple basis, but the majority of which ill be wild-cat promotions, in which shareholders are induced to part with their money to receive nothing more than pretty certificates. History has shown that it is practically impossible to eliminate fake propositions while there is a big speculative attraction in oil and mining fields. However, steps are now being taken by the majority of legislative bodies to endeavor to show no fake promotions which, coupled with education by sound financial publications, should do considerable to protect the people.

The Area of Activity

Describing the physical conditions in the Western belt in which numerous wells are being sunk, the article in the Magazine of Wall Street has to say:

The greatest activity in drilling wells centres around the tar sands region. The tar sands are unique. There is nothing exactly like them in the world. They begin thirty miles south of Fort McMurray on the Athabasca River. They extend to about forty miles north of McMurray. They are from thirty to forty miles wide and vary in depth from 20 to 225 feet. The entire outcropping has an extent of about a thousand square miles.

For years throughout Northern Alberta, considerable drilling has been going on. The actual result has not been large. The strong flow of natural gas from the borings has in many cases interfered with work. This gas which is found in many parts of the Province is a petroleum product and is only another indication that somewhere, probably deeper than borings have yet reached, lies a great oil supply. Oil has been found in paying quantities in a number of instances but it has been of low gravity, for the most part.

It has been obtained in good quantities at a depth of around 1,500 and 1,800 feet. It is believed the higher gravity oil lies lower down. The oil so far discovered has been of a heavy viscous kind suitable chiefly for fuel purposes.

The Royal Commission which investigated the natural resources of the British Empire said, in reference to the Athabasca region, that it "evidently was one of the largest possible oil bearing countries yet unexplored on the face of the earth and that on the North American continent there is no other part which ever gave such evidence of rich oil fields."

MINING CORPORATION

The Mining Corporation of Canada has taken over the Foster property adjoining the Lawson property of the La Rose Mines, which in turn adjoins the Kerr Lake to the east. The Foster has been operated for some time under lease by Messrs. Campbell and Fairburn, who have met with excellent success. Three veins were recently uncovered close to the boundary line of the Lawson. This coupled with other important developments is the reason of the acquisition

GRANBY CONSOLIDATED

The Granby Consolidated Mining, Smelting and Power Company gave notice of a further increase in wages amounting to 25 cents per day to more than 1,500 of its employees a few days ago. This is the second advance made during the month of July. The company's action is in line with its agreement with the employees that wages shall be based on the price of copper. If, as is predicted, copper reaches approximately 26 cents within the next few weeks, wages at the Granby Smelter will reach a figure almost equal to that paid when the armistice was signed.

McALLISTER

A few days after resuming operations the McAllister mine, on the north fork of Carpenter Creek, says the Nelson, B.C., Daily News, reports opening up a shoot of clean silver sulphide ore on the third level, which an assay shows to run 5,379.1 ounces in silver to the ton. The shoot is over 12 inches wide at the floor, and opens fanwise as it rises, an assay from ore averaged from a width of 5 feet 8 inches running 173.6 ounces of silver. Details of the strike were given out last night by R. A. Grimes, president and manager of the Slocan Silver Mines, Limited, who arrived from Sandon.

CONSOLIDATED SMELTERS

The Consolidated Mining and Smelting Company of Trail, B.C., has purchased a portion of the Webb-McCarthy-Miller gold properties near Goudreau, the deal involving $400,000. The holdings acquired by the Trail people include six claims situated three miles east from Goudreau, but Sault men interested have othe rholdings in the district, including three claims of McCarthy and Webb on one side and three other claims of Miller and Huckson on the other. The conditions of the deal, it is understood, include the construction of a $500,000 plant by the purchasers.

DOME MINES

The general impression appears to be that the president of the Dome Mines will make good his promise to mark the beginning of next year by the disbursement of a dividend. At the time the promise was made not a few mining men felt inclined to doubt the likelihood of such a recovery in the financial position of the company. Information emanating from Toronto, and presumably from New York, would indicate that the mill has recently been treating ore at the rate of about 600 tons daily. This would correspond with the statement issued last spring in which it was declared to be the policy of the company, following resumption of operation, to gradually bring the mill up to a capacity of about 600 tons daily. This having now been achieved, further gradual increase would appear reasonable to expect. As to the average grade of the ore being treated, it is unofficially stated to yield about $9 per ton, in which case the daily output would amount to about $5,400 or at the rate of upwards of $160,000 a month. The cost of operating is understood to be high, but the general opinion seems to be that costs and net profits run about fifty-fifty, or at the rate of about $4.50 a ton profit. Should such prove to be true, the monthly net profit would approximate $80,000, and it can readily be seen would soon place the treasury in a strong position.

B. C. MINING ACTIVE PROSPECTS ARE GOOD

New Development Work Follows Jump in Copper Prices

The recovery in the price of copper is having a stimulating effect on British Columbia Mining. At the end of last year, mining was at a very low ebb in the Province, but now development work is proceding rapidly, and there is a decidedly optimistic feeling as to the immediate future of the industry in the Pacific Coast province.

There have been a number of promising finds turned up lately, which have attracted the attention and aroused the interest of prospectors. In the Salmon and Bear River districts of Northern British Columbia, high grade ore has been uncovered, and there is also a large amount of development work going on in mining properties tributary to the Grand Trunk Pacific and the Pacific Great Eastern.

There has been a remarkable freedom from labor difficulties of late, and the opinion is general that there will be few strikes until the average laborer regains confidence in his leaders, which had been badly shaken by the recent revolutionary tendencies of Western labor organizations.

Britannia Mines, on Howe Sound, are now beginning to get a return from the large expenditures made on development work and extension of plant. At the Surf Inlet Mine, which at present is the largest producer of gold in the province, copper is also being found, and it is possible that the ore will be treated for both metals. Dolly Varden Mine, at Alice Arm, will probably be shipping ore shortly.

In the Bear and Salmon River districts, the Premier Mine and the Bush Mine have uncovered large quantities of rich ore, while the Forty-Nine and other properties in the districts have bright prospects. Lack of transportation is the real hindrance at present, but the Provincial Government is co-operating to remove this trouble by the construction of waggon roads.

Granby Mining Company expects a heavy production from its Anyox District properties, though the smelter at Grand Forks has been closed down. The company expects its production this year to be on a par with the production of the past two years, and an increase is expected in 1920.

CROWN RESERVE

According to Haileybury advices the Crown Reserve Mining Company has purchased two mining claims in the Larder Lake gold area. The two claims are part of a group of thirteen owned by N. N. Maloof, of Haileybury, and are situated about one and a half miles north-east from the Harris-Maxwell, a little less than half-way between the Harris-Maxwell and the Kerr-Addison. The claims in question were originally staked by Eli Tripp. Work carried on has uncovered some very promising showings. A highly mineralized porphyry dike which has been uncovered on the two claims just sold has also been traced over a portion of the group still retained by Maloof.

HOLLINGER

With official figures now available, showing the achievements at the Hollinger Consolidated Gold Mines during the first 24 weeks of the current year it is possible to accurately analyze just what this greatest gold mine in the western hemisphere is doing and approximately what may be expected in the early future. During the first 24 weeks of this year a total of 316,386 tons of ore were treated. The total production for the period under review amounted to $3,166,625.37. Keeping in mind the fact that the mill ran only 69 per cent. of the possible running time, the outstanding facts are interesting to note:

Tonnage treated	316,386
Total output	$3,166,625.37
Total expense	$1,646,868.46
Total profit	$1,519,756.91
Yield, per ton	$9.93
Cost, per ton	$5.20
Profit, per ton	$4.73

MINING STOCK QUOTATIONS

Week ending Aug. 27.

	High	Low.	Close.	Sales.
Adanac	10¾	10½	10½	20,700
Apex	3	2¾	2¾	6,000
Atlas	27½	22	23½	12,700
Beaver	37	36	36½	2,300
Cham.-Ferland	9	8¼	8⅝	3,100
Coniagas	2.70	2.60	2.60	200
Crown Reserve	32	30	32	4,600
Dome Exten.	31½	30½	31	5,500
Dome Lake	17	17	17	3,200
Dome Mines	14.00	13.50	13.50	400
Davidson	65	65	65	6,250
Hargraves	2⅞	2¾	2⅞	13,000
Hillcrest	81	81	81	50
Hollinger	6.80	6.60	6.80	3,875
Keora	17	16¾	16¾	11,300
Kirk. Lake	41	40½	41	2,500
Lake Shore	108	103	104	5,400
Gifford	2	1⅝	2	4,000
McKin.-Dar.	63	62	63	2,200
McIntyre	1.82	1.80	1.82	12,534
Newray	15	14	14½	5,000
Nipissing	10.50	10.50	10.50	305
Ophir	3⅝	3½	3½	6,000
Peterson Lake	12	11½	11½	2,000
Porcupine Imp.	1⅝	1½	1⅝	11,000
Porc. Crown	29	28½	29	8,500
Porc. Tisdale	2¾	2⅝	2⅝	72,000
Preston E. D.	3¾	3⅝	3⅝	2,500
Schumacher	23	23	23	500
Teck-Hughes	23½	19	22½	6,900
Timiskaming	37½	37	37½	3,300
Thomp.-Krist.	6¾	6½	6¾	4,000
Trethewey	28¾	28	28½	2,300
V. N. T.	22½	22	22	12,000
Wasapika	84	83	83	3,700
West Dome	12	10¾	12	12,800

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CHARTERED ACCOUNTANTS
REPORTS FOR EXECUTORS AND PROSPECTIVE INVESTORS
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THE LAKE OF BAYS

There was never a region better designed for vacation purposes than the "Lake of Bays" district. Huntsville, on the Grand Trunk Railway, 145 miles north of Toronto, is the gateway through which you pass to this lovely summer playground. Good fishing, high altitude (1,000 feet above the sea), immunity from hay fever, lovely water trips, good hotel accommodation, and golf are some of the many attractions. An interesting booklet telling you all about it sent free on application to any Grand Trunk Ticket Agent or C. F. Horning, District Passenger Agent, Toronto, Ont.

Announcement

We have pleasure in announcing that we have become associated with

Frederic H. Hatch & Company

(Established 1888)

74 Broadway, New York

who will act as our correspondents in the United States.

Messrs. Hatch & Company are one of the leading financial firms in America and have been specializing in UNLISTED STOCKS for the past twenty-five years.

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RECONSTRUCTION is the order of the day. If you have formed the Savings habit you are prepared to meet its opportunities; if not, reconstruct your methods and begin today. We have a Savings Department at every Branch. 209

THE

STANDARD BANK

OF CANADA

MAIN OFFICE

15 KING STREET WEST

15 BRANCHES IN TORONTO

Jim is Overrated--
He couldn't find
the Profit-killing leak

"Yes, Jim," stated a friend, "has been lucky. He made money during the war, but before that he was losing and he didn't seem able to put his finger in the leak. He didn't know there was a leak until his business ship was nearly scuttled."

You business men must watch your business constantly. Your cost sheets are the pulse and the tongue of your enterprise which first signal danger—a state of illness.

It is worth your while to study, that your cost sheets may be put in the best form—that they may convey the fullest possible meaning to you.

Some of these books will help:

Principles of Factory Cost Keeping, by E. P. Moxey, price, $1.00.

Principles of Depreciation, by Earl A. Saliers, price, $3.00.

Unified Accounting Methods for Industrials, by Clinton E. Woods, price, $5.00.

Cost Accounting, by Major J. Lee Nicholson, C.P.A., price, $6.00.

Business Finance, by William H. Lough, price, $4.00.

Write for our folder, "Books for Better Business." You will find it of value.

McAinsh & Co., Limited

4-12 College Street, Toronto

The book house for business builders

The annual statement of the Quebec Railway, Light, Heat & Power Co., for the year ending June 30, THE FINANCIAL POST learns, will show a deficit of about $65,000, as compared with a surplus of $95,306 last year, and one of $200,587 two years ago. The gross receipts are well ahead through the increases in fares, and gas and electric rates, but the costs of operating have far more than wiped out these gains.

MONEY BANKING AND EXCHANGE

ALL CITIES REPORT INCREASED BANK CLEARING RETURNS

The Increase in the West is 19.9% and in the East 14%

DOMINION HIGH 15.4%

Windsor Reports the Largest Percentage Gain—Montreal is Higher by 13.5% and Toronto by 6%

Canadian bank clearings for the week ending August 28, totalled $271,841,317 against $235,532,072 for the corresponding period last year. The increase is $36,309,245 or 15.4 per cent. All the cities showed an increase. In the East the gain was $25,508,329 or 14 per cent. Windsor reported the largest percentage gain with a total for the week at $1,797,364, a gain of 93.1 per cent., while London, Ottawa and Kitchener also showed large percentage increases.

Western cities showed an increase of $10,800,916 or 19.9 per cent. Edmonton reported a gain of 68.8 per cent., and Prince Albert 67.5 per cent. Winnipeg showed a gain of 13.9 per cent. Following are comparative figures:

WEEKLY BANK CLEARINGS

(In comparison with same week last year.)

Eastern Cities.	Aug. 28, 1919	Change	%
Montreal	$ 104,206,621	+ $ 12,456,547	13.5
Toronto	67,858,506	+ 3,905,175	6.1
Ottawa	8,346,656	+ 3,295,885	65.2
Hamilton	5,336,357	+ 274,736	5.4
Quebec	5,327,143	+ 1,153,867	27.6
Halifax	4,551,642	+ 793,534	21.1
London	3,253,310	+ 1,360,626	71.9
St. John	3,049,118	+ 846,147	38.4
Brantford	936,462	+ 122,442	15.0
Peterboro	734,728	+ 165,188	29.0
Sherbrooke ...	768,194	+ 48,309	6.7
Kitchener	751,118	+ 219,247	41.2
Windsor	1,797,364	+ 866,626	93.1
Total, East. ..	$ 206,917,219	+ $ 25,508,329	14.0

Western Cities	Aug. 28, 1919	Change	%
Winnipeg	$ 30,788,144	+ $ 3,765,594	13.9
Vancouver ...	12,501,550	+ 1,858,340	17.5
Calgary	5,826,680	+ 1,151,753	24.6
Edmonton	4,719,316	+ 1,922,869	68.8
Victoria	1,721,453	+ 73,801	4.5
Regina	3,590,985	+ 898,461	33.4
Saskatoon	1,825,629	+ 483,533	36.0
Moose Jaw ...	1,278,782	+ 206,867	19.3
Ft. William ..	766,985	+ 124,677	19.4
Brandon	608,763	+ 90,132	17.3
N. Westminster	512,184	+ 18,429	3.7
Medicine Hat .	412,283	+ 57,092	16.0
Prince Albert.	371,344	+ 149,368	67.5
Total, West ..	$ 64,924,098	+ $ 10,800,916	19.9
Grand Total ..	$ 271,841,317	+ $ 36,309,245	15.4
Yr. to date. .	$9,349,177,743	+ $1,255,305,749	15.5

COMMERCE

A sub-agency to the Coaticook branch of the Canadian Bank of Commerce has been opened at Barnston, Que.

W. J. Lucas, accountant of the Walkerton branch of the Bank of Commerce, has been transferred to the branch at Montreal.

L. F. Cross, who has been manager of the Barrie branch of the Bank of Commerce, has been appointed to take charge of the branch at Amherst, N.S.

DOMINION

C. A. Bogert, general manager of the Dominion Bank, has announced that the Dominion Bank has formed an affiliation with the British Overseas Bank, Limited, an association of banking institutions in the motherland. The connection thus formed will afford the Dominion Bank widely extended avenues for handling the foreign business of its customers.

MERCHANTS

A. Gillespie, who has been accountant at the Walkerton branch of the Merchants Bank, has been transferred to the branch at Toronto.

ROYAL

The Royal Bank of Canada announces the opening of the following branches: Blackville, N.B.; Cape Broyle, Nfld.; Langruth, Man. The following sub-branches have also been opened: Lac du Bonnet, sub-branch to Beausejour, Man.; Amaranth, sub-branch to Langruth, man.; Clyde, sub-branch to Morinville, Alta.; Alcomdale, sub-branch to Morinville, Alta.; Whitemouth, sub-branch to Beausejour, Man.

Burns Lake, B.C., Burritt's Rapids, Ont., Donnelly, Alta., Erickson, Man., Vancouver, 25th Avenue. A sub-branch at Ebenezer, operated from Yorkton, Sask., has also been opened.

UNION

The latest branch openings include the establishment of new offices at Drake, Sask., under the supervision of the Lanigan, Sask., branch; at Duchess, Alta., under supervision of the Brooks, Alta., branch; at Kenogami, Que.; at La Porter, Sask., under the supervision of Eaton, Sask., branch; at Winkler, Man., and at Berwick, N.S.

A branch has been opened at Sandy Lake, Man.

The branch at Pollockville, Alta., has been closed.

Following the establishment of a foreign exchange department at the main office in Vancouver, under the management of J. Coulthard, who has had considerable experience as an operator in foreign exchange business, the bank has rounded out its system of foreign exchange departments across Canada. Foreign departments are now established at Montreal, Toronto, Winnipeg and Vancouver, and in addition in New York and London, Eng. The extension has come with the development of the Union Bank's rapidly extending international connections.

Latest staff changes are announced as follows: A. F. Fairman, manager at Esterhazy; R. S. Hodgins, manager at Eston; J. F. McLelland, manager at Hamilton (East End); J. W. McHaffie, accountant at Hamilton; R. H. Best, teller-accountant at Empress; R. M. Caldwell, teller-accountant at Kentville, N.S.; V. G. Gilbey, teller-accountant at Tessier; A. W. Hood, teller-accountant at Winkler, Man.; A. W. Leechman, teller-accountant at Sexsmith; J. C. LeMottee, teller-accountant at Sunnynook; W. Livingston, teller-accountant at Cooksville, Ont.; R. Money, teller-accountant at Winnipeg (491 Portage Avenue); I. Richardson, teller-accountant at Strassburg; C. A. Sage, teller-accountant at Erin, and W. A. Matthews, acting accountant at Islington.

H. R. Roach, at present managing the Strathmore (Alta.) branch in the absence temporarily of Joseph VanTighem, returned only recently from military duty overseas. Previous to enlisting Mr. Roach was manager at Langdon.

Peter McLeod has been appointed manager of the newly-opened branch at Berwick, N.S., and K. M. Caldwell has been made teller-accountant.

The Kenogami, Que., branch has been opened under the temporary management of G. Petrie.

IMPERIAL

The Imperial Bank of Canada has opened two new branches at Lousana, Alta., and McGregor, Man.

BANK BRANCHES

According to Houston's Bank Directory for August the total number of branches of the Canadian chartered banks at the end of July was 4,173, 4,030 of which were situated in Canada, 38 in Newfoundland and 105 elsewhere.

MONTREAL

It is learned from the agency of the Bank of Montreal in Wall Street that the sale of 3,000,000 rupees Calcutta payment, sold on account of the Indian Government, resulted in tenders for a total of over 16,000,000 rupees being received. The average rate paid by the successful tenderers was slightly over 43c per rupee.

The Bank of Montreal has reopened the Summerland office as a sub-agency to West Summerland branch.

THE PARK-UNION OPENS IN JAPAN

Event Made Occasion for Social Function—a Buffet Lunch and Champagne

Japanese newspapers received in Toronto this week give extended accounts of the formal opening of the Yokohama branch of the Park-Union Foreign Banking Corporation, which is owned and controlled jointly by the Union Bank of Canada and the National Park Bank of New York.

"The first financial organization in Japan which represents combined American and Canadian capital was formally launched yesterday when the Park-Union Foreign Banking Corporation, with head office in New York, threw open the doors of its Yokohama branch for business," says the Japan Advertiser of Tokyo. "The occasion was made a social one with George Wilson, of Toronto, assistant general manager of the Union Bank of Canada and a director of the corporation, and the members of the local staff receiving the congratulations and good wishes of practically all the leading foreign business men of the Port City and of the many leading Japanese business men and officials. Mayor Kajira of Yokohama was among the earlier callers.

"Back of the handsome counters of the new bank was spread a most delicious and plenteous buffet lunch with punch and champagne, in which to pledge the success of the Park Union."

The Yokohama branch will be under the management of H. A. Stewart, well known in Yokohama as formerly in charge there of the Russo-Asiatique Bank. With Mr. Stewart will be associated A. F. Sparham as sub-manager (formerly of Toronto), and W. J. Dickson, accountant. The advisory committee for Japan comprises Messrs. J. R. Geary, H. B. Higinbotham and Seiroku Moroto.

IMPERIAL WILL BUILD NEW TORONTO OFFICE

The Imperial Bank intends erecting a new head office building in Toronto, and has purchased the site at the corner of King and Yonge Streets for that purpose. No particulars are forthcoming as to the purchase price, nor have any details concerning the new building been announced. The property, which was purchased through the King Street Realty Company, is one of the most valuable in the city. The other three corners are occupied by the C. P. R. Building, the Royal Bank Building, and the head office of the Dominion Bank.

Practically since its foundation in 1875 the bank has had its head offices in the premises now occupied at Wellington Street and Leader Lane, which have been enlarged from time to time. The rapid growth of the bank, which now has 175 branches in Canada, has necessitated more spacious quarters. The Bank's capital has grown from $804,883.54 in 1875 to $7,000,000 with a reserve of $7,500,000. Deposits have grown since the first annual report was issued from $1,576,000 to $86,374,487.

NEW YORK FUNDS CLOSE WEEK AT A LOWER RATE

Freer Offerings of Funds, Due to Curtailment in Buying Operations

UNDER FOUR PER CENT.

Sterling and Franc Rates Offer Opportunity for Canadian Investors Prepared to Wait

During the first part of the week New York exchange held around four per cent and a fraction higher, but with funds plentiful on Tuesday the market was off considerably. It opened at 4 per cent., but sales were made at 3 13-16 to the buyer, and at 3¾, and at 3 11-16 to the seller. On the two following days exchange was easier, and the close on Thursday was at 3⅞. The improvement in exchange to the advantage of Canada is largely due to curtailment in buying operations on the other side, and the fact that payments being made in New York funds have eased to a very marked degree. The market is fluctuating from day to day. Just now funds are easy, but it is absolutely impossible to say just what the trend will be, but as was stated in THE FINANCIAL POST last week, foreign exchange bankers believe that the tendency will be upward in spite of the present easier conditions prevailing.

Aug. 22.—New York funds opened very dull, quotations being slightly lower than those ruling the previous day. Very little was sold in Toronto, and all transactions were on the basis of 4 1-32 to the seller. Montreal was higher, most transactions in that market being carried out at 4 3-64 to the seller. The close was barely steady.

Aug. 23.—The Market for New York funds was extremely dull. The only sale was at 4 1-32 to the seller. Towards the close funds were offered at that price without finding buyers. The close was weak.

Aug. 25.—New York funds were extremely dull, the opening quotation being extremely dull at 4 1-32 nominal. Transactions took place at 4 1-32 to the buyer. The close was weak.

Aug. 26.—New York funds were extremely weak at the opening at 4 per cent. nominal. Funds were freely offered at that rate to the buyer without finding purchasers. Actual sales were made at 3⅞ to the buyer, 3 13-16 to the buyer, 3¾ to the seller and 3 11-16 to the seller. At the close the rate steadied and the last sale was at 3 25-32 to the seller.

Aug. 27.—New York funds opened at 3 15-16 to the buyer. This price was maintained until the afternoon when funds eased off to 3 29-32 to the seller. The close was uncertain.

Aug. 28.—New York funds were quiet at the opening with no sales in the early part of the day. In the afternoon funds sold at 3 13-16 to the buyer and 3⅞ to the seller.

Because of the weakness in sterling and francs at the present time, the point is raised as to the advisability of transferring funds to the Old Country or to France for investment. While it is good practice to encourage the keeping of money in one's own country, yet from a speculative standpoint the idea might be a remunerative one for the investor. With the present position in sterling and franc rates, the movement would be largely speculation, but there would, too, be an element of sound investment. The credits of these countries should come back to normal, and if the investor is prepared for a period, very uncertain as to length, he will no doubt make money. The same amount of money, for instance, will buy 150,000 francs now as before the war bought 100,000 francs. The proper advice, it would seem, to any Canadian investor seeking returns in the foreign exchange market, is to buy English war bonds, five per cent. French war bonds, or five per cent. consolidated Italian bonds.

	Sterling		Francs	
	Demand	Cables	Demand	Cables
Aug. 22	4.18¼	4.19	8.11	8.09
Aug. 23	4.19¼	4.20¼	8.10	8.08
Aug. 25	4.20¼	4.21	8.09½	8.07½
Aug. 26	4.20¾	4.21¼	8.08½	8.06½
Aug. 27	4.22¾	4.23½	8.03	8.01
Aug. 28	4.22½	4.21¾	8.08	8.06

LIQUIDATION IN NEW YORK BEARS UPON EXCHANGE

Continued from page 1.

corded. Opinion holds that with a return of favorable conditions the mining market's technical position should warrant something in the nature of a boom.

The New York market has shown improvement in tone as the result of the Government policy with regard to the industrial situation. The trouble between the U.S. Steel Corporation and employees still looks serious, however, and a strike seems more than a possibility. Regarding this industrial situation Hayden, Stone & Co., say:

Under existing circumstances it is not easy for employers in any industry to commit themselves definitely to plans for future operations as is usual in more normal times, but their position is such that they will be able to adapt themselves quickly and advantageously to the conditions which are looked for when the present unrest at home and abroad has settled down and the international financial situation has improved. At the present time most concerns show a much larger excess of quick assets over current liabilities than at the commencement of the war. In the case of ten representative industries this excess today is $55,000,000 greater than that shown by their statements immediately prior to August, 1914. While this showing may suffer in the process of readjustment now taking place, the margin available for the adaptation of selling and producing organizations to new conditions will be such as to warrant hopefulness as to our industrial future.

J. S. Bache & Co. view the situation as follows:

Current news in a declining market, if unfavorable, is always accentuated and the present is no exception. A new impetus will be given, some time, by labor settlement and by a sufficient and effectual arrangement to finance Europe's needs. This latter is absolutely essential to our long range prosperity. In the meantime, lowering exchange rates will have the effect of shutting off export selling. One advantage from this would be, if production keeps up, to increase our own stock of things and help supply to overtake demand, with a result of lower prices in commodities.

THE BANK OF NOVA SCOTIA

INCORPORATED 1832

Capital, - - - -	$ 9,700,000
Reserve Fund - - -	18,000,000
Total Assets, over - -	220,000,000

GENERAL MANAGER'S OFFICE, TORONTO

H. A. Richardson, General Manager

BRANCHES:

CANADA—In all the larger cities and towns and throughout each province—254 branches.
NEWFOUNDLAND—St. John's and 18 other points.
JAMAICA—Kingston and 9 other points.
CUBA—Havana.
PORTO RICO—Fajardo and San Juan.
UNITED STATES—New York, 52 Wall Street; Boston and Chicago.

CORRESPONDENTS:

LONDON, ENG.—London Joint City & Midland Bank, Ltd.
NEW YORK—Bank of New York, N.B.A.; National Bank of Commerce.
Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations and individuals carried on most favorable terms.

Correspondence Solicited

LLOYDS BANK LIMITED.

Head Office: 71, LOMBARD ST., LONDON, E.C. 3.

CAPITAL SUBSCRIBED -	£55,962,850
CAPITAL PAID UP - -	8,954,056
RESERVE FUND - -	9,000,000
DEPOSITS, &c. - -	267,966,438
ADVANCES, &c. - -	81,072,134

THIS BANK HAS OVER 1,300 OFFICES IN ENGLAND AND WALES.

Colonial and Foreign Department: 17, Cornhill, London, E.C. 3.

The Agency of Foreign & Colonial Banks is undertaken.

Affiliated Banks:

THE NATIONAL BANK OF SCOTLAND, LTD. LONDON & RIVER PLATE BANK, LTD.

French Auxiliary:

LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LIMITED.

CANADA BOND CORPORATION LIMITED

TORONTO

OFFER A CERTIFIED SEVEN PER CENT. (7%) INVESTMENT IN

CANADIAN WOOLLENS, LIMITED

WITH

¶ Security values confirmed by Price Waterhouse Company and American Appraisal Company and feature equivalent to BOND SAFETY. ¶ Conservative earnings over two and one half times the amount of preferred dividends. ¶ Attractive alike for large or small investor. ¶ Splendidly financed and housed with a thoroughly skilled and successful management. ¶ Talk it over with your Banker.

Dividends quarterly.
Price $100.00 per share with bonus of 25% of ordinary stock.

CANADA BOND CORPORATION, Limited

TORONTO

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Incorporated by Royal Charter 1727

Paid-up Capital .... £ 2,000,000
Rest and Undivided Profits .. 1,030,470
Deposits 29,202,380

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St. Andrew Square, Edinburgh.
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Secretary, J. B. Adshead.

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Wm. Wallace, Manager.

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The

CALL OF THE KING

HIS MAJESTY, THE KING, in the course of a recent speech, called upon his subjects to exercise *thrift* during the period of reconstruction.

The following are his words:—

"The spirit of union, self-sacrifice and patience which our people displayed during the years of fighting will still be required if we are to reap the full benefit of the peace which we have won. And those qualities must be reinforced by the virtues of industry and thrift."

¶ Be *thrifty*, therefore, and make the results of your *thrift* secure, by investing your savings in the . . . . . .

GUARANTEED INVESTMENT RECEIPTS

of this Corporation—the oldest trust company in Canada. All such funds are invested in Trustee Securities. Interest at 5½% per annum on sums of $500 and upwards invested with us for three or five years. This is an Investment worthy of your confidence.

Ask for our Booklet "The Safe Investment of Funds."

The
Toronto General Trusts
Corporation

HEAD OFFICE, - BAY AND MELINDA STREETS, TORONTO
OTTAWA OFFICE, - ELGIN AND SPARKS STREETS, OTTAWA

DIVIDENDS DECLARED

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE PER CENT upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the SECOND DAY OF SEPTEMBER next, to Shareholders of record of 31st July, 1919.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 22nd July, 1919.

The Royal Bank of Canada

DIVIDEND No. 128

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT. (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Tuesday the second day of September next, to shareholders of record of 15th August.

By order of the Board,

C. E. NEILL,
General Manager.

Montreal, Que., July 15, 1919.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND.

A DIVIDEND of two per cent. (2%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th SEPTEMBER, 1919, payable OCTOBER 1st, to Shareholders of record SEPTEMBER 15th.

By Order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 26th August, 1919.

DIVIDEND NOTICE

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED

Common Stock Dividend No. 81

Notice is hereby given that a quarterly Dividend of two per cent. for the three months ending the thirtieth day of Septemday, 1919, being at the rate of eight per cent. per annum, has been declared on the Common Stock of the Company.

Preference Stock Dividend No. 47

Notice is also given that a half-yearly Dividend of three and one-half per cent. for the six months ending the thirtieth day of September, 1919, being at the rate of seven per cent. per annum, has been declared on the Preference Stock of the Company.

The above Dividends are payable on and after the first day of October, 1919, to Shareholders of record at the close of business on the thirteenth day of September, 1919.

By order of the Board.

W. H. NESBITT,
Secretary.

Toronto, August 23rd, 1919.

The Bank of Nova Scotia

Dividend No. 199

NOTICE is hereby given that a dividend of four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending September 30th and that the same will be payable on and after Wednesday, the first day of October next, at any of the offices of the Bank.

The Stock Transfer Books will be closed from the 16th to the 30th proximo, inclusive.

By order of the Board,

H. A. RICHARDSON,
General Manager.

Halifax, N.S., August 15th, 1919.

The Wabasso Cotton Company, Limited

DIVIDEND NO. 7.

NOTICE is hereby given that a quarterly Dividend of 2 per cent. has been declared on the Capital Stock of the Company for the quarter ending September 30th, 1919, payable October 2nd, 1919, to Shareholders of record at the close of business on September 13th, 1919.

By order of the Board.

S. B. CAYFORD,
Secretary-Treasurer.

Montreal, August 7th, 1919.

The Sherwin-Williams Company of Canada, Limited

DIVIDEND NOTICE.

NOTICE is hereby given that the thirty-third Quarterly Dividend of 1¾%, being at the rate of 7% per annum, for Quarter ending September 15th, 1919, upon the preferred stock of the Company, has been declared, payable to Shareholders of record the fifteenth day of September, 1919, and that cheques will be mailed on September 30th, next.

Books not closed.

By Order of the Board.

J. H. GORDON,
Secretary-Treasurer.

Montreal, August 22nd, 1919.

The Molsons Bank

156th DIVIDEND.

THE Shareholders of The Molsons Bank are hereby notified that a Dividend of THREE PER CENT. (being at the rate of twelve per cent. per annum) upon the capital stock has been declared for the current quarter, and that the same will be payable at the office of the Bank in Montreal, and at the Branches, on and after the

FIRST DAY OF OCTOBER NEXT

to Shareholders of record on 15th September, 1919.

THE ANNUAL GENERAL MEETING of the Shareholders of the Bank will be held at its banking house, in this City, on MONDAY, the 3rd of NOVEMBER next, at three o'clock in the afternoon.

By Order of the Board.

EDWARD C. PRATT,
General Manager.

Montreal, 26th August, 1919.

NEWS AND VIEWS FOR MANAGERS

HUMAN ELEMENT AS A FACTOR IN BANK BUILDING

Advantages of Branch Managers Knowing Their Customers

CHARACTER AN ASSET

Knowledge of the Borrower Himself is Often Much More Important Than Analysis of the Financial Statement

Articles on this page from time to time have emphasised the importance of the human element in modern banking—in making the customer feel at home, in getting acquainted with his business standing, in making him a factor in enlarging your own and the bank's connection, etc. This many sided question is comprehensively dealt with by J. S. Hiam, superintendent of branches of the Union Bank of Canada, in a paper which should appeal to all managers.—J. W. T.

The human element in banking is a matter of vital importance to us all and one to which we have not given sufficient thought in the daily performance of our duties as bankers of the present day. As bank managers you are all familiar with the fundamentals of sound banking; you know that it is the constant aim of every banker to increase his deposit business to the maximum, although it is in the discount department where profits are made.

You know when you receive an application from John Smith for a loan of $5,000 after an analysis of his financial statement and the security offered whether he is entitled to it on the basis submitted. You know that Thomas Brown, who has just deposited $10,000 in your savings department, is a valuable addition to your list of deposits, but do you know why either of these men, or both of them, have come to your bank to do business? In the case of the borrower, John Smith, your answer would undoubtedly be "yes," but in the case of Thomas Brown, the depositor, the answer is not so certain unless you have instructed your staff on the paramount importance of the manager coming in personal contact with every customer of any importance on the bank's books, except in city branches where such duties are delegated to the assistant manager or accountant in accounts of minor importance.

Friends Bring Friends

Opportunities for personal contact of the manager with customers or prospective customers should be availed of at all times with a view to closer relations, and if necessary should be created by the manager with a view to keeping himself posted and showing a friendly interest in the business or hobbies of his customers. It is these little attentions—the human element—which make a satisfied customer. He feels that his business is appreciated and the time spent by you in this way in humanizing your business will return big dividends, as a satisfied customer is the best advertisement the bank can have. Every man has friends, some of whom are possibly desirable in a business way, and your satisfied customer will take delight in bringing them to his bank.

To my mind there is no method which will produce results of substantial proportions within a reasonable time to better advantage than by your satisfied customers doing missionary work for you, and I have never known a case that did not produce good results when the subject was properly broached.

A great many banks have an air of stiffness, aloofness and superiority that makes the average man doing business with them feel that he is undergoing an operation every time he discusses a loan or some other matter in connection with his business at the bank. They are your opportunities; study them but do not underrate them. Profit by your opportunity and let your watchword be —Service.

Knowledge an Asset

Remember the "human element"—a display of personal interest or the granting of a trifling concession may result in securing an attractive account. The successful manager is the man who is a close student of human nature. The depositor of today may be a borrower to-morrow. Personal contact with him will probably reveal the fact that he will require a loan later on. What is his record? How about the human equation? In the meantime you can get a line on him, size up his proposition and give him valuable service as a result of your investigations and perhaps make a staunch friend. Of course it goes without saying that the branch manager who does not know all about his clients' business is not in a position to discuss loans with that client.

This is the day of efficiency, and it is not only preached but practised in every walk of life, including banking. Old-fashioned banks used to have big fences hiding practically the entire organization, and while the modern bank to a great extent has gotten away from this fencing in of its employees, a number of them have "atmospheric" fences. This is largely I think accounted for by bankers taking themselves and their work too seriously, which is something the public as a rule do not understand.

Character and Credit

I cannot help but feel that the younger managers are inclined to over-emphasize the value of financial statements without putting enough value on the character and integrity of the man. Morgan used to say that he would rather lend a man money on personal character than he would on a financial statement—one man with a million dollars in assets may be entitled to 100 per cent. more borrowing power in a bank than another man with the same amount of assets. If the granting of credit were always followed solely upon a man's financial statement there would be a great many wealthy manufacturers and business men who would never have been able to get a start.

In conclusion let me touch on the "atmosphere" of the bank. The successful bank manager must be a keen student of human nature, and the student of human nature knows that the atmosphere of his bank is all-important. It should be one of welcome and service to depositor and borrower alike.

If the manager is affable and desirous of servng, and instructs the individual members of his staff personally along the right lines, then the whole organization will reflect a spirit of welcome and service, as after all an organization is only the reflection of the attitude and policy of the man at its head.

The tendency has been to neglect this all-important "human element" in banking, but you can rest assured that it is the one big factor in successful banking to-day and I ask you to prove it to your own satisfaction by putting it in effect to-day, and you will find that the more consideration you show to the "human element" in your business the greater your success and the net results—a truly efficient service.

PROPOSAL MADE TO PLACE A TAX ON FARM PRODUCE

Continued from page 1.

pounds of beef on each pound represented .0025.

If the retailer sold the beef at an average of 40 cents a pound the tax would equal .002 or a grand total of .0045 which is slightly less than half a cent per pound to the consumer.

Or take the case of wheat, which at Chicago is $2.26 per bushel, would, it is estimated, give an average price of from $2.00 to $2.20 at the farm.

	Price.	Tax.
When it leaves the farm one bushel of wheat would be sold for	$2.00	$0.01
When it leaves the miller, giving 4½ bushels of wheat per barrel flour, with flour selling at $12, would mean a bushel of wheat as flour worth	2.67	0.0134
When it leaves the baker a barrel of flour makes from 260 to 270 loaves of bread, a bushel of wheat would therefore make 60 loaves, which figured at 8 to 9 cents would be...........	5.10	0.0255
This makes a total tax on all sales of a bushel of wheat	....	0.0489

This amount which is roughly 5 cents is to be distributed over 60 loaves of bread, and amounts to only 1/12 of a cent a loaf.

According to this argument a tax of one half of one per cent. while it would amount to an item that might well take the place of the income tax, would even when charged through three distributors, result in so small a charge that it could not well be passed on to the customer, but would be assimilated in the course of the transaction. These figures of Mr. Cornwell are interesting mainly in that they show that some such tax on the farmer is not an impossibility, though it might be difficult to find a government who would feel equal to the task of presenting it to the rural constituencies.

BANK OF ENGLAND

London, Aug. 28.—The weekly statement of the Bank of England shows the following changes:—

Total reserve decreased	£ 324,000
Circulation increased	299,000
Bullion decreased	24,587
Other securities decreased....	8,445,000
Other deposits decreased......	301,000
Public deposits decreased.....	136,000
Notes reserve decreased	293,000
Government securities inc.....	3,366,000

The proportion of the bank's reserve to liability this week is 22.76 per cent.; last week it was 22.94 per cent. Rate of discount, 5 per cent.

LARGE DEPOSITS AVAILABLE FOR VICTORY LOAN

July Savings Are $183,000,000 Higher Than a Year Ago

In view of the approaching Victory Loan campaign, it will be noted with considerable assurance that the July Bank Statement shows another big increase in savings deposits, the total of $1,175,268,918 being higher by $35,500,000 than in the previous statement and $183,000,000 above July of last year. Demand deposits during the month declined by $21,750,000—probably a reflection of contraction in current loans—but the total of this account at $584,176,765 was still more than $35,000,000 higher than a year ago.

A decline of nearly $30,000,000 in current loans during the month would seem to indicate a contraction in domestic business needs but it should also be taken into consideration that at this season there is usually a tendency to conserve funds for the handling of the Western crop. As compared with a year ago the current loans are still higher by over $108,000,000 so that it would seem that the needs of trade, commerce and industry are being pretty well taken care of.

Canadian call loans were reduced by $2,265,000, indicating a slackening of stock market activity but there was an increase in call loans of over $10,000,000. As compared with a year ago Canadian call loans were higher by approaching $20,000,000 while those abroad were up more than $10,000,000.

JULY BANK STATEMENT

Assets—	July, 1919.	June, 1919.	Change in month.	July, 1918.	Change in year.
Specie ....$	86,236,599	$ 79,279,438	+ $ 6,957,161	$ 76,578,266	+ $ 9,658,333
Dom. notes	180,823,245	175,547,837	+ 5,275,408	186,520,172	— 5,696,927
Gold reserve	108,400,000	107,200,000	+ 1,200,000	88,870,000	+ 19,530,000
Calls loans abroad	178,098,434	167,236,045	+ 10,862,389	167,112,836	+ 10,985,598
Canadian call....	93,587,497	95,852,728	— 2,265,231	74,382,762	+ 19,204,735
Current loans....	1,014,387,206	1,043,712,932	— 29,325,7226	905,677,233	+ 108,709,973
Loans abroad.....	138,217,957	132,525,550	+ 5,692,407	99,702,919	+ 38,515,038
Total assets ...	$2,772,742,518	$2,697,564,571	+ $ 75,177,947	$2,379,512,651	+ $393,229,867
Liabilities—					
Circulation ......$	206,906,941	$ 217,608,195	— $ 10,701,254	$ 187,865,833	+ $ 19,041,108
Demand dep.	584,176,765	605,927,027	— 21,750,262	549,068,651	+ 35,108,114
Savings	1,175,092,153	1,139,569,570	+ 35,522,583	992,015,137	+ 183,077,016
Total dep. in Can.	1,759,268,918	1,745,496,597	+ 13,772,321	1,541,083,788	+ 218,185,130
Foreign	294,650,777	240,201,440	+ 54,449,337	216,003,804	+ 78,646,973
Total liabilities.	$2,509,820,518	$2,439,504,074	+ $ 70,316,444	$2,127,819,534	+ $382,000,984

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Manager - - - - - GORDON RUTLEDGE.
Editor - - - - - - - J. W. TYSON.

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TORONTO, AUGUST 30, 1919

"A LIVING WAGE"—YES, BUT IT MUST BE EARNED

PUBLIC opinion is to-day swayed by catch phrases. Such expressions as "profiteering," "watered stock," "production for service," "a living wage," etc., are bandied about by socialists and labor quacks in explaining all the economic ills which have followed the great European upheaval and they are seized upon by the people with enthusiasm only equalled by ignorance. We still await an intelligent definition of any of these phrases—few attempts to define them; it is much easier to fool the people than to educate them.

Take the demand for "a living wage," for example. What is a "living wage?" If we understand the literal meaning the phrase is an insult to intelligent labor. A "living wage" is something which might apply to the lower animals who serve man or to the slaves who labored under the lash. No intelligent worker to-day is compensated on the basis of living necessities. We quite agree with the Boston *Commercial*, that if the "living wage" idea had been put forward by a capitalist or an employer "it would promptly have received the condemnation it merits from every newspaper, pulpit and soap-box in the land."

Labor, in our opinion, is entitled to a "living wage" and more. But workers are not entitled to and never will be paid for any length of time more than they can earn in the value of goods produced, or service rendered. To say that a man is entitled to a certain wage, whether he earns it or not, is establishing a basis which will discount energy and efficiency and eventually undermine production to such an extent that there will be such a shortage of commodities, including foodstuffs, that the wages earned and paid may quite conceivably be insufficient to buy a proper living.

The trouble to-day is not that labor is not getting a "living wage," but that agitators demand a "living wage" —with an automobile and other luxuries thrown in—without earning it. At a time when the world is short of goods and commodities of all kinds we find labor reducing rather than increasing production by demanding shorter and shorter hours. This creates a problem for capital and management to improve methods to such an extent that production can be at least maintained, if not increased, with the reduced labor. If this cannot be done—and it seems hopeless to try to fully satisfy labor agitators in this direction—then the shortage of goods in the face of a demand maintained by high wages is bound to drive prices still higher.

The problem can only be solved by increased production. Labor is getting a living wage—and more—but there is nothing in the cast iron law of economics to guarantee that this will continue if labor is not willing to earn what it demands.

MISSIONARIES OF NATIONAL GOSPEL

UNDERLYING the ties of sentiment which bind the provinces together, and even stronger in their practical influence, are the trade and business advantages which result from such union. From this standpoint the Canadian branch banking system, which permits of the instant transfer of funds from one part of the Dominion to another to meet seasonal demands is a factor for unity, the importance of which is perhaps not fully realized; it is a question too, if full advantage is being taken of it.

In this connection national good should result from close co-operation between the different banking units across the country and that co-operation can be best brought about by a broad understanding by branch managers of financial and business problems of their own and other sections. This was a point emphasized at the conventions of the managers of the Union Bank of Canada, held in various Provinces, with particular stress laid upon the relations of the manufacturing interests of the East and the agricultural interests of the West. The spokesman on this subject was—and fittingly—a Winnipeg official, F. W. S. Crispo, who said:

"With direct representation now in every Province we as a bank are doing our utmost toward developing a truly national spirit, so that Canada's progress, both industrially and agriculturally, may go forward hand in hand with mutual good-will and understanding.

"In this connection you branch managers of Eastern Canada have a unique opportunity for helping to bring about a better understanding between the manufacturers of the East and the farmers of the Prairie Provinces. You should at all times encourage the development of a true spirit of national co-operation. That is what Canada needs to-day for her further upbuilding."

THE FINANCIAL POST has time and again emphasized the fact that the interests of Western farmers and Eastern manufacturers are not so far apart as politicians would have the people believe. Much can be done in a practical business way to show wherein there are mutual advantages in getting together on policies for national good. No one can spread this gospel more effectively or intelligently throughout the country than the managers of the thousands of branch banks located in every community where business is transacted from the Pacific to the Atlantic.

BOLSHEVISM IN CANADA

THE direct and convincing statement of C. H. Cahan, K.C., of how his efforts as Director of Public Safety to check the activities of the Bolshevists in Canada were circumvented at Ottawa "by members of the Government who represent constituencies lying west of the Ottawa river" should help to open the eyes of the Canadian public to the dangers of this insidious propaganda. After being appointed by Sir Robert Borden, Mr. Cahan started on an aggressive campaign to deal with the beginnings of the revolutionary movement but after the departure of the Premier for Europe other influences prevailed at Ottawa.

"The agitators," says Mr. Cahan, "soon discovered that with entire impunity they could treat the existing laws with contemptuous indifference; and they finally persuaded themselves that by solidifying their scattered forces, they could, as one of them said to me, 'kick the existing Government off of Parliament Hill,' and assume complete control of the Federal administration."

Mr. Cahan but confirms the statements regarding the activities of the Bolshevists which have been made from time to time in THE FINANCIAL POST and *MacLean's Magazine*. The initial effort has been defeated and the O.B.U. is in disfavor. But the propaganda is evidently merely taking on other forms, and the same influences are quietly at work, merely biding their time in the hope that the public mind will become more adaptable to their alluring theories—a hope which promises to be fulfilled if socialistic editors and self-seeking politicians continue in their present course.

PROTECTION FOR THE INVESTOR

PRESIDING at a political meeting at London, R. G. Fisher, laid at the door of the Ontario Government the responsibility for the Dominion Permanent and Standard Reliance failures. He charged that under existing legislation these companies were compelled to make full and complete returns, and that "had they had a man who could add up eight or ten figures they could have found out long before the crash came that these two companies were robbing the people."

These are harsh words from Mr. Fisher, and smack of political campaign tactics, but they hit very close to the mark. THE FINANCIAL POST has on several occasions pointed out that it is not so much new legislation that is needed to protect investors in loan companies as practical enforcement of the existing statutes. A superintendent of loan companies with an every-day knowledge of the conduct of loan business would be able very soon to tell whether a company was working along proper lines or not and could apply the brakes at the proper time.

In emphasizing the fact that an ounce of prevention is worth a pound of legislation under such circumstances, however, it is only fair to the Government that credit should be given for the effective efforts of Attorney-General Lucas to check the operations of the oil well promoters whose advertising in Canadian newspapers has been taking on the complexion of the campaigns which have accompanied the flotation of millions of worthless securities in the United States. Despite the fact that there is not provided in this case all the legislative preventives which might well be on the statutes—largely because measures proposed at last session were side-tracked—a policy has been adopted which promises to make it extremely difficult for oil fakers to operate in Ontario on any extensive scale.

EDITORIAL NOTES

IF THE great majority of people want to live like aristocrats it is pretty hard to keep peace in a democracy.

* * * * *

AS AN outgrowth of the Committee of One Thousand which saved Winnipeg from the Bolshevists in the recent revolution has been formed a Citizen's League, an institution imbued with a spirit for civic advancement which promises to bring much permanent good out of evil, so far as conditions in the Gateway City are concerned.

* * *

CHICAGO reports tumbling prices of pork and other meats because of a boycott by housewives. The boycott is not an intelligent method of meeting the situation. The consumer suffers a shortage of food or helps to advance the price of some other commodity. Price reduction could be better effected by moderating average consumption over a long period without the inconvenience to the consumer entailed by total prohibition for a short time.

* * * *

AN IMPORTANT communication addressed to Montreal by THE FINANCIAL POST on the 5th was not received there until the 11th. Acknowledgment reads: "Your letter of the 5th instant—although apparently posted in Toronto on that day—only reached me here this morning (11th) and consequently came too late." Is it any wonder that there are demands for efficient administration in the Post Office Department? A private institution giving such service would probably be brought to time by an occasional action for damages but with the Government there is no satisfactory recourse.

* * * *

IT IS NOT difficult to understand that there is much unrest and discontent throughout the country when we consider the nonsensical rubbish which is being given to the public to explain some of the abnormal economic conditions following the world upheaval. For example, the Fort William *News-Chronicle*, when asked to explain the exchange situation between Canada and the United States, said:

About the only reason we can advance is that the financial interests in the United States made up their minds that it was a good time to take a bite out of the Canadian cherry and add it to the other bites they are taking out of cherries belonging to other countries. There is no doubt about Canada's ability to meet her obligations with interest in full. Nobody in this country is warning the people that the country is going to the eternal bow-wows. It is true that there are whispers of revolutionary strikes to be pulled off, and this may have an effect upon money, but the same rumors prevail in the United States, hence the bonus Canadians receive in accepting United States money, for that is one of the effects.

Nuorteva's Insidious Propaganda

By C. H. CAHAN, K.C.

From "MacLean's Magazine" for September.

IN MACLEAN'S MAGAZINE for August, under the title of "Planning Soviet Rule in Canada," Colonel Maclean places almost the entire blame upon the Department of Justice, and particularly upon the Minister of that department, for the ineffective methods employed to restrict the activities of radical and revolutionary Socialists in Canada and to punish those who are leaders in the revolutionary movement. In fact, he alleges that those who were found guilty by the courts were promptly released by the Minister of Justice.

So far as I have personal knowledge of the facts, I am confident that in so far as these criticisms refer to the Honourable C. J. Doherty, the present Minister of Justice, they are quite undeserved, as I am entirely convinced that he recognized the nature and extent of the propaganda that was being carried on in Canada, and that he supported all reasonable efforts which were suggested for its extirpation.

The members of the Government who are really responsible represent constituencies lying west of the Ottawa River, and they formed a controlling majority in the Cabinet after the Premier and three of his colleagues had departed from Canada to represent this country in the peace negotiations at Paris. In any case Col. Maclean rightfully excludes the Minister of Militia and Defense and his department from any share of the blame. He should also exclude the Department of Justice, whose representations were treated by the then acting Premier with contemptuous indifference.

The present conditions of unrest in Canada are due to several causes, each of which requires different treatment. These causes are both foreign and domestic in their origin.

Fortunes to Propagate Sedition

DURING the past four years German, and more recently, Russian agencies have been expending hundreds of thousands of dollars in Canada, disseminating pacifist, socialistic, revolutionary and seditious literature from one end of the country to the other, and in organizing in various industrial centres of the country, societies for the insidious propagation of doctrines destructive of our existing political, social and industrial institutions.

In was, at the outset, a war propaganda, and, from the point of view of those with whom we were at war, entirely justifiable as a means for curtailing the duration of the war, by destroying the patriotic spirit and moral stamina of the Canadian people.

Until the summer of 1918, no effective measures were taken by the Federal Government to restrict or to controvert this propaganda, which has influenced the minds, not only of our alien population, but of very considerable numbers of our British population, including a number of the Protestant clergy and several of the leaders, as well as many of the rank and file of the labor organizations of the country.

During the past year official representatives of the Bolshevik Government of Russia have also been particularly active in Canada; and they have been singularly competent, adroit and effective in carrying on their propaganda.

The agents of the Industrial Workers of the World, commonly called the I.W.W., and the revolutionary or so-called "red" socialistic societies of the United States have also distributed hundreds of thousands of pamphlets, leaflets and periodicals throughout the country, seeking to engender a spirit of class hatred, and to persuade all members of the working class to unite in a revolutionary movement which would overthrow our existing political and social systems and result in the establishment of a new social order, in which all the agencies of industry, trade and commerce would be administered by the workers for the sole benefit of the workers. Hundreds of local organizations have been established in Canada for the purpose of spreading these doctrines far and wide throughout the country.

These three foreign movements have had many aims in common. They sought to paralyze the efforts of the Canadian Government and people to carry on the war; and they secured many adherents, not only among the workers in unorganized trades, but also among the more radical members of the recognized trades unions.

THE Socialist party of Canada, with headquarters at Vancouver, B.C., and with many branches throughout Canada, of which C. Stephenson was the active secretary, and the Social Democratic party, with headquarters at Toronto, of which Isaac Bainbridge was chief executive, with scores of branches in the several provinces, were engaged throughout the war, and doubtless are now engaged, in a propaganda in favor of social, industrial and political revolution.

It was through the sixty-three Finnish branches in Canada of the Social Democratic party that Sauteri Nuorteva, and his friends and agents, De H. Koljonen of Sudbury, and J. W. Alquist of Toronto, were chiefly active; though the activities of Nuorteva, who professed to represent the Bolsheviki leaders at Petrograd, as well as the Red Guard movement in Finland, were very far-reaching.

Among the Russian propagandists, Charitonoff and Wolczuk of Winnipeg, Michmevitch of Sudbury, Conosewitch of Brantford, and others, whose names I do not now recall, were also very active.

The press of Canada was conspicuously quiescent. Leading newspapers throughout the country failed to recognize the existence of these movements, and even refused to inform the public by publishing the available facts. There appeared to be a conspiracy of silence.

It was the duty of the Government, in so far as these movements were inspired by foreign agencies or resulted in revolutionary and seditious activities, to restore the reign of law in Canada, to provide adequate means for the enforcement of existing laws, and to devise new laws to deal effectively with such criminal acts as were entirely novel in our political experience.

THE Government, however, during the necessary absence from the country of the Prime Minister and of several of his colleagues, seemed not only inexcusably ignorant of existing conditions, but utterly lacking in unity of purpose and in courageous action. Certain municipal authorities endeavored to deal as best they could with these criminal activities, but their efforts were from time to time either partially restrained or completely thwarted by the Federal authorities. In case after case, after the municipal authorities had secured the conviction of offenders, the Government, not the Department of Justice, intervened and effected their release.

The agitators soon discovered that with entire impunity they could treat the existing laws with contemptuous indifference; and they finally persuaded themselves that by solidifying their scattered forces, they could, as one of them said to me, "kick the existing Government off of Parliament Hill," and assume complete control of the Federal administration.

Their immunity has led to the organization of the One Big Union, or O.B.U., as it is commonly called, a name which is only a new cover for I.W.W. propaganda, which is now gathering within its organization all the "red" or revolutionary elements, and considerable numbers of present and former members of the International Trades Unions of this country.

Just prior to the strike at Winnipeg, I travelled through Canada from end to end, and I found that the leaders of these movements were active in organizing in this One Big Union all the radical elements of the country, with a view to calling a general strike in all industrial centres, and thereby paralyzing the agencies of constitutional government throughout Canada. These leaders were persuaded that they would so far control the municipal, police and several branches of the Federal services that they could impose their will on the entire community. They believed that the members of the Federal Government, in the absence of the Prime Minister, as they said, "had not even a kick left in them"; or, in other words, that all the civil and military forces, under the control of the Federal administration, would remain inactive and indifferent.

No one, who carefully watched the trend of affairs, could doubt that they had reasonable grounds for reaching such conclusions; and even sane and moderate elements of our population, seeing first the utter apathy and then the extreme timidity of many members of the Government, began openly to express complete indifference to its fate.

Is Danger of Revolution Past?

THE events at Winnipeg have shown, however, that the Canadian people still preserve a civic spirit and a capacity for effective local organization and administration, which other Canadian cities may yet have opportunities to emulate.

The remedy for such conditions is obvious. It is the duty of the Federal Government to enforce Federal laws; and it is rank cowardice for that Government to attempt to avoid its responsibility for such enforcement by placing the burden of the enforcement of Federal laws solely upon the provincial and municipal authorities. Any Government, which discloses that it is afraid to do its duty in the face of revolutionary activities, thereby destroys its own authority, and practically becomes the agent of those who are actively promoting revolution.

We must revert to the reign of law in Canada. The criminal laws of Canada are within the legislative jurisdiction of the Parliament of Canada; and the Parliament which enacts such laws is in duty bound to provide effective means for their enforcement.

Fortunately, the Prime Minister has now returned home, and the former acting Prime Minister no longer directs the administration of Federal affairs. Sir Robert Borden, in every courageous effort which he may take to restore and to maintain law and order throughout Canada, has solidly behind him all the sane and sound elements of our population, including, at the least, a large minority of all the trades unions of the country, and also a considerable number of their members, who have been intimidated and coerced by "red" or revolutionary leaders.

The conservative members of the trades unions, who have not been affected by this foreign propaganda, are more concerned in regard to their right of association, recognition of their unions, and the right of collective bargaining. They uphold constitutional government, and seek reforms by methods which are evolutionary. Their minds are chiefly occupied with questions relating to hours of work, conditions of employment, proper remuneration for labor and the like; and their demands must receive careful and attentive consideration.

Personally, I am persuaded that their grievances may be alleviated by the establishment of impartial tribunals, to which all complaints may be submitted for hearing and investigation, and by which the principles of a new jurisprudence may be developed and established for the just determination of all labor disputes. The administration of justice must be extended to cover all labor disputes and difficulties.

The Causes and the Remedies

BUT, apart from all this there is a great deal of unrest, which is more or less due to the war and to the financial and economic conditions resulting directly or indirectly from the war, which now prevail in this country, and with respect to which the Government has the remedies largely in its own control. This unrest finds constant expression in complaints against "the high cost of living"; but the real evils are due to:

(1) The inflation both of currency and of credit in Canada, which has resulted in a severe depreciation in the value of our Canadian dollar.

(2) The dilatory and inefficient methods by which the income taxes have been collected by the Department of Finance, which have now become a public scandal.

(3) The unequal distribution of the burden of the recently created war debt; and

(4) The prevailing ignorance of elementary economic laws, which impose on all classes and conditions of our people the absolute necessity of producing more and wasting less, if we are to successfully shoulder the heavy financial burdens which the war has created for this generation, and obtain a surplus sufficient to provide and distribute a satisfactory living wage for and among all classes of our workers.

The remedy for these evils will be found not so much in tariff adjustments, but in radical reforms in respect of our currency and in the financial administration of the Government, in the control of profiteering within the country, in restricting imports of articles of luxury from abroad, in regulating the exports of articles of absolute necessity to foreign countries, and in persuading the Canadian people to adopt sane and wholesome methods of living and saving.

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Established 1889

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

SAGUENAY PULP

St. Augustin.—"Do you advise the buying of the bonds of the Saguenay Pulp & Power Co. as a safe investment? I would be very glad if you would give your advice on this security. The people around here are making many inquiries of me about this investment."

The bonds of this company should not be confused with any issue of the North American Pulp and Paper Companies Trust. In one sense the companies are intimately related, but there is a distinction which is in favor of the Saguenay Pulp and Power Co. This company was established as a holding company for a number of pulp and power properties which originally were controlled by the North American company. The object of the bond issue was to clean up a rather unsatisfactory financial condition that had grown up in connection with the North American Pulp Company, by which large quantities of bonds and stock issues had been given out as security for banks and individual loans and then the company was laboring under a lack of funds which prevented it from developing a power plant and an important pulp mill. The establishment of the Saguenay Pulp and Power Company made it possible to pay, by the issue of bonds, off the indebtedness of the North American Company, and release the bonds and stocks that had been pledged and the extra amount of cash available from the sale of the bonds is enabling the two plants already mentioned to be completed and is providing the mills with working capital that will enable them to secure better prices for their products instead of keeping them practically at the mercy of those who desire to make a contract with them.

While literally the North American Pulp Company controls the majority interest in the stock of the Saguenay Pulp and Power Company, provision has been made that for the next ten years the bondholders will have control of the election of a majority of the directors of this company, which makes them independent virtually of the North American Pulp and Paper Company. In order that these bonds, which were issued to the extent of $5,500,000, may be absolutely secure, the Saguenay Company must have a much better record than the North American did but we believe that this will be the case, not only on account of better market prices that had been secured, but on account of the increased production which will result from the completion of the new pulp mill. In addition there is to be considered the growing value of all pulp wood limits in Canada owing to the fact that the United States limits are becoming depleted every year, and more and more must they turn to Canada for their supply of pulp wood.

The Chicoutimi Pulp Company is the backbone of the Saguenay proposition and is doing very well itself and has exceedingly valuable limits which will have increasing value each year as security for these bonds. We believe that as a result of the reorganization of the company financially, improvement in the plant and the generally favorable outlook for the pulp and paper companies in Canada that these bonds can be considered as a safe investment for your clients.

KIRK GOLD MINES

S.J.J., Ontario.—"I enclose prospectus of Kirk Gold Mines Co., Ltd. Would like to have your opinion regarding this proposition."

The mining situation in Northern Ontario, particularly as regards gold mines, is comparatively dead at present. Until there is something in the nature of a boom a big market in such issues as that you mention is not to be looked for. So far as the Kirk Mine are concerned we understand that they have just got their development work well on but that so far there has really been no market for the stock.

Generally speaking we would say that the Kirk Mines, like others, are a fair speculation, and if a settlement of labor difficulties and an improvement in the market for gold should result in that boom in gold stocks which is expected by many interested in the North Country, then there may be something substantial for shareholders. However, the great difficulty is that many of those that buy these stocks do not do so in the proper spirit of speculation. If they are willing to hold on until that indefinite boom to which I have referred, they may make something. In any event there is a very poor market at the present time.

PAN AMERICAN OIL

Port Mann.—"On the 12th of June I had stock in the Pan American Oil and Transport Company and sold it on the 13th on the New York stock exchange. I understand that the stock was ex-dividend on the 13th. Would I be entitled to the dividend? Also let me know the high and low quotations for the stock on the 13th of June."

Regarding Pan American Oil and Transport Company stock, this was ex-dividend on June 13th, and if you sold on that date you were entitled to the dividend. Quotations on the New York stock exchange on June 12th were, high 99; low 98¼; and on June 13, high 96½; low 92½. The discrepancy between the prices on the two days was of course largely the result of the dividend distribution.

NATIONAL STREET CAR

L.J., Ottawa.—"Can you tell me if National Steel Car common is a sound investment? Also how does this company stand to-day?"

National Street Car common stock cannot be regarded otherwise than as a long chance speculation. This stock, which has recently been selling around 7, opened the year about 5, and in February touched a high mark of 16 on the strength of reports of an amalgamation with the American Car and Foundry Company. When it was finally announced that the negotiations had fallen through, the market slumped and has since been around its present level. Any stock at such a low price has attractive possibilities. If the company can make good in the future the investor who puts away some of these shares stands a chance to make a big profit. On the other hand, of course, there is nothing to prevent a further decline. From the speculative standpoint there is the point that the loss under any circumstances would be limited, and it is seldom indeed that any stock which has a market at all goes below 5.

MONTREAL TRAMWAYS

Winnipeg.—"Would you kindly give your advice on Montreal Tram bonds last issue."

By this issue, we presume you mean the 5-year, 6½% secured gold bonds of Montreal Tramways & Power Company, for $7,300,000, which came out in March last and were issued chiefly to redeem a two-year note issue in the United States. The Tramways & Power Company is the holding company for Montreal Tramways Co., and the security behind the payment of the interest and principal on these bonds is the majority stock of the tramways company, that is, the whole Montreal street railway system. It is in this that lies the real strength of this issue, for according to the agreement of 1918, passed by the Quebec Legislature, the tramway system is guaranteed fares high enough to cover practically all its requirements. The fares were raised one year ago, and it is regarded as certain that a further advance will be made, owing to the heavy increases in operating costs of the railway, added to by the late advance in wages of all the employees. Thus the Montreal street railway is protected by its latest charter from the financial difficulties that beset most electric lines; if the revenue falls below what it needs, the fares must go up. This clause, in turn, is the ample guarantee behind the investor in these bonds. The price when the issue was made was 100 and accrued interest: since then there has been a slight advance, and the bonds to-day can hardly be bought below 101. We regard this as a safe investment.

VICTORYS AND ALBERTAS

H.E.H., Picton—Which is the better investment, and why? $10,000 Victory bonds, 1933, at $105 or $10,500 invested in Alberta bonds at 87.62, maturing 1939 or 1944. Please give me the mathematical reason why one or the other is to be preferred.

The Victory Bonds of 1933 are selling to-day at 104. On this basis the return on the investment would be 5.1 per cent.

We cannot exactly identify the particular Alberta issue to which you refer. However, we believe reference is to an issue of railway bonds guaranteed by the Government due in 1942. These are selling about the price you mention and on that basis the return would be 5.5 per cent.

On the basis outlined you will probably be able to decide a more attractive proposition. Of course there is a difference in how the security is regarded but we are inclined to believe that the Alberta issue, which is a trustee investment, will suit your purposes from that standpoint.

Apart from the question of the attractiveness of the security, the Victory Bonds are to-day more appealing and therefore higher in price because they are exempt from income tax. If you have an income on which the interest from this investment would be affected from the taxation standpoint, you will have to decide yourself the extent of your obligation in that connection. If your income is $5,000 to $10,000 the tax would be 2.4 per cent.; if $10,000 to $20,000 the tax would be 5.9 per cent, and from $20,000 to $40,000, 9.95 per cent.

VICTORYS IN U.S.

A.S., Stewartsville.—"I am interested in buying Dominion of Canada 5½ per cent. 1927 bonds. I sent an order to a broker for a $500 bond, but he says he can only get me a $1,000 bond. I wanted to be able to divide my investment so as to get a $500 bond with interest and principle payable in United States money. Do you think within the life of these bonds there will be any radical changes as regards political relations between Canada and Great Britain.

We are not aware of any reason why you should not be able to secure a $500, 1927 Dominion of Canada bond. This would permit you to also secure $500 bond of the 1937 issue, interest and principal of which is payable in the United States.

If you will communicate with any of the investment houses advertising in THE FINANCIAL POST we believe that your needs can be satisfactorily and expeditiously attended to.

As to what changes there may be in the coming years in political arrangements between Canada and Great Britain, it would be difficult to say, but we do not think that you need figure any changes in this direction in connection with the stability of your investment.

PERSONALS

E. J. HARVEY, supervisor of agencies for the North American Life Assurance Company, has been visiting the company's Western agencies.

S. RAY MARSHALL for many years a partner of Kitcat & Aitken, brokers, in London, has joined the staff of Aldred & Co., and becomes a director and vice-president of the company in charge of the London office, which is established at No. 8 King William Street, E.C.

SIR RICHARD CRAWFORD, whose death took place recently at Bournemouth, England, was the financial representative of Great Britain at Washington during the war with rank of Minister Plenipotentiary. Prior to the war he was adviser to the Turkish Minister of Finance, to which post he was appointed in 1911.

ROSS CRAWFORD, a member of the firm of Redpath & Co., stock brokers, Montreal, made a flying trip to the Ottawa office this week, probably the first of its kind among brokers. The start was made from Montreal at three o'clock in the afternoon, and the Ottawa office on Sparks Street was reached at 5.15, or a little under two hours actual flying time. In a wire to Montreal Mr. Crawford said: "Had what I consider quite an exciting trip up, although Park (Capt. Park, R.A.F.) says it was a very ordinary one. He must be a better sailor than I am. The railway next time."

G. BLAKE WALKER, president of the Institution of Mining Engineers (Great Britain), has been visiting the timber areas near Bonne Bay, Newfoundland, in which he is interested. These areas were acquired during the war by a syndicate of Midland coal-owners to provide pit-timber for the British collieries, but owing to shipping shortage it was not found possible to send pit-timber to England, during the war period. With the close of the war, it is expected that the company's plans will be followed out.

JAMES F. WESTON, managing director of the Imperial Life, when in Vancouver recently on his regular annual trip over the agency fields, told the British Columbia "Financial Times," that life insurance had made rapid strides in Canada as the result of conditions brought about by the war and the epidemic of Spanish influenza, these conditions having emphasized the services which the companies are in a position to render. He stated in this connection that during the last quarter of 1918 Canadian life companies paid out over $6,000,000 to beneficiaries and that all the companies, both large and small, young and old, stood the strain without any impairment of reserve.

W. T. ALEXANDER, managing director of the Great West Permanent Loan Company, Winnipeg, who was in Vancouver recently on his annual trip and inspection of branch offices, described the mortgage situation as excellent with interest payments being promptly met and security in a stronger position than last year. The shortness of crops in Western Saskatchewan and Alberta would have a tendency to retard developments, he considered, but high prices and previous yields in localities now suffering would help materially. He predicted more pronounced building activity in Western Canada when the cost of materials and labor were brought to a more satisfactory basis.

J. PENROSE ANGLIN, B.Sc., president of Anglin-Norcross, Ltd., whose issue of preferred stock is being offered this week, has been connected with the building trade for the past twenty-five years. He is a graduate in engineering of McGill University and for some time was associated with the architectural department of the Bank of Montreal, and it was at this time that Henry J. Gross, who now joins him as vice-president and treasurer, was engaged in work as a contractor (Norcross Brothers Company) for the head office. Mr. Anglin the past year has been prominently engaged with the organization of the Canadian Building and Construction Industries, and was the first president chosen. He was also head of the Builders' Exchange of Montreal. Before the amalgamation he was president of Anglins, Limited.

SIR HAMAR GREENWOOD, the new Under Secretary of the British Foreign Office for the Overseas Trade Department, who was born at Whitby, Ontario, and educated in Canada, is giving particular attention to the matter of extending commercial relations with South America. Six commercial secretaries have already been appointed to Latin American countries and the appointment of three more is in the prospect. It is the duty of these officers, assisted by members of the British Consular service, to study commercial conditions. In addition special commissionaries are already engaged under the joint auspices of the Government and appropriate trade associations in investigating possibilities of Brazil and Chile for the sale of British engineering products, and in studying the South American market for jewelry, electric plate and confectionery.

T. B. MACAULAY, president of the Sun Life Assurance Company of Canada, accompanied by his son, Douglas Macaulay, and James C. Tory, M.P.P. for Guysboro, N.S., who is general manager of agencies for the company, sailed from Montreal on Friday by the C.P.O.S. "Melita" for Liverpool. In England they will join E. A. Macnutt, treasurer, and W. A. Higinbotham, superintendent of foreign agencies, and will meet British representatives of the company. Mr. Macaulay, who is president of the Canadian West Indian League, has made a very close study of conditions in the island colonies, in regard to closer relations with the Dominion, and is very hopeful that there will be very shortly at least a new agreement between Canada and the British West Indies, with greatly increased preferences in favor of British and Canadian products in the West Indies and West India products in both the Mother Country and Canada. Mr. Macaulay hopes, however, for even closer relations between Canada and the West Indian colonies, and thinks commercial union would be of enormous advantage to both.

RSC INVESTMENT-SERVICE

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Continuous quotation service on all Canadian Stocks and Bonds is posted.

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such as Calgary, Moose Jaw, Lethbridge, Medicine Hat, Saskatoon and Vancouver, may now be purchased to yield from 6% to 6⅛% in both short and long maturities. At current prices we recommend these bonds for investment.

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NEWS OF THE BOND MARKET

EXCHANGE STILL A BIG INFLUENCE IN BOND MARKET

Liquidation in New York a Factor in Reducing Rate

LONDON IS REALIZING

Railway and Other Securities Can Now be Had in Canada at Very Favorable Prices

As for some time past exchange continued this week as a dominating influence in the bond market situation and, operating in conjunction with with such factors as the forthcoming Victory Loan and the holiday season tended to create very unsettled conditions. On the one hand there was a further easiness in the tendency of the market for outstanding Victories, while on the other there was an improvement in the demand for miscellaneous current offerings. These did not include anything important in the way of new issues and were largely confined to odd lots of securities offered by British holders.

The exchange situation between Canada and Great Britain has resulted in some very attractive offerings to institutional buyers. These have included lots of railroad issues, government guaranteed and trustee investments, which being in "£" are not popular with the average small investor but which can be had at very attractive prices because of the spread as between Canada and London. Liquidation of these issues has strengthened their market on London.

Exchange between Canada and the States has continued as a factor in the liquidation of short term issues payable in that market. To such an extent has this been carried out that it is regarded as an important relation to the improvement in the rate of discount which has recently been noted. The American market had shown a tendency to strengthen recently as the end of the holiday season approaches.

Few Issues in Sight

There are very few issues in sight in the Canadian market and it is not expected that there will be anything important now until after the Victory Loan. Everything is now being put in readiness for the big campaign and organization work is proceeding satisfactorily. Sir Henry Drayton, the new Minister of Finance, has been in Toronto in connection with the arrangements, but nothing has been made public regarding the plans considered. The anticipation is that full success is going to take a maximum effort but there is evidently a determination that failure is not to be considered.

A report on the Eastern bond situation on this page gives an interesting sidelight as to the situation. The terms of the new issue indicate that the price will be considerably more favorable to the investor than recent issues of provincials or local municipals. This would seem to put the comparative issues out of line in relation to security, but there is the practical fact to be considered that the proportions of the Dominion loan are such that an effort will have to be made for every available dollar. The smaller issues have been absorbed slowly and at the demand of the purchaser. If it were a small issue it would be a different matter. Then, too, local issues in the Maritimes have nearly always enjoyed a better market than in other parts of Canada, but this can hardly be taken as a basis for a national flotation of $250,000,000 or $300,000,000.

NEW MONTREAL BOND HOUSE

Balfour, White and Company Will Specialize in Unlisted Securities

The growth during the past few years in the Canadian market for unlisted bonds and securities is indicated by the announcement of the formation in Montreal of the firm of Balfour, whte & Company, who intend to make a feature of their unlisted department. The firm will act as brokers only, selling entirely on the basis of a fixed commission policy that has been followed out with much success by some American bond houses. Other securities, listed as well as unlisted, and including bonds, grain, cotton, etc., will be handled by the firm.

Both partners have seen service overseas. George S. Balfour was formerly head of the bond firm of Balfour and Company of Montreal; while Stephen B. White was connected with the Montreal Trust Company. The offices of the new firm are in the Yorkshire Building, 136 St. James Street, Montreal.

NEW QUEBEC CHAIRMAN

As a successor to E. A. MacNutt, who is in London and cannot get passage back in time, F. G. Donaldson, general manager of the Montreal Trust Company, has been chosen to act as chairman of the Province of Quebec for the Victory Loan campaign in association with A. P. Frigon.

AN EASTERN VIEW OF VICTORY ISSUE

Will Return a Considerably Higher Rate Than Recent Local Issues

By Special Representative

HALIFAX.—The business man and institutional buyer in Halifax seems to be more particularly interested in short term investments, which will serve to span the re-adjustment period, probably reaching to final and normal peace conditions, and in the meantime, finding a safe employment for his funds at remunerative rates, than in long term issues. A broker, speaking with THE FINANCIAL POST this week, referred to the fact that nothing yet known officially as to the terms of the forthcoming Dominion loan, but that it is rumored it will be issued on a 5½ per cent. basis and possibly less than par—in other words, at a higher price than most of our municipalities pay for their money.

The broker went on to say that the general disturbance in the investment market is to a not inconsiderable extent due to the long delay in the Government's announcement of the terms of the coming Dominion loan. Meanwhile, the rumors have become general that it will be floated at 5½ per cent., and that possibly the bonds will be offered at a discount. Previously, municipal and provincial bonds have been selling here readily on a 5.20 and 5.30 basis. The last Nova Scotia Government issue was offered and taken up on a basis to yield purchasers 5.03. The idea of this man is that there are some people who are anxious to make the new loan a "success," even if there be some national sacrifice in this, and at the expense of the excellent investment market current for some months. Judging from the volume of letters issuing from many investment houses, it can be pretty well understood that a number of investment houses took advantage of this situation and pretty well cleared their decks of those securities bought to yield less interest rates than what is rumored for the forthcoming federal issue.

TEXTILE BOND ISSUE OF $15,000,000

Shareholders Approve of Refunding Issue—St. Lambert Building Awaits Lower Prices

By Resident Representative

MONTREAL.—As the president of the Dominion Textile Company laughingly remarked at the close of the very brief meeting of shareholders Tuesday afternoon, "It did not take long to mortgage ourselves for $15,000,000." That the directors' proposal for the new first mortgage and refunding bond issue was approved by the shareholders was evident when the secretary presented a sheaf of proxies covering over 48,000 shares in favor of the resolution that was presented, and not the slightest opposition was offered. Of the total $1,500,000 will be paid out on the first of September to Canadian Cottons as a part of the purchase price for the Mount Royal Mill, the balance being $875,000 in cash.

Of the rest, over $7,000,000 will be held to refund three issues now outstanding, the last of which matures in 1925. The bonds bear 6% interest, the same as the maturing ones, and have 30 years to run. In addition to providing for the bond issues there will be a balance of $6,125,000 which presumably will be offered to the public from time to time. The greater part of this by far will be expended on the proposed mill at St. Lambert, which will cost in the neighborhood of $10,000,000, but it is provided in the terms of the bond issue that not more than 75 per cent. of the actual cost of the extensions to plant can be provided out of the sale of the bonds.

Just when the mill will be commenced is a little uncertain. The question was brought up casually at the meeting yesterday by the president, and the meaning of the clause in the agreement with St. Lambert that the mill should be begun within two years after the signing of peace was variously interpreted. One of those present suggested that Austria had not signed yet, but it was agreed that there was little likelihood of the full two years being awaited, the work be started just as soon as the cost of construction drops a little more towards normal.

NEW BOND ISSUE IS MADE BECAUSE MAYOR RESIGNED

Faulty Signature Was Only One of Many Delays

COST MOOSE JAW $9,400

Market Changed Materially, While Issue Held Up—New Offer of Wood, Gundy & Co. Accepted

Following the resignation of Mayor Hamilton, the City of Moose Jaw was placed in a very unusual position with regard to a bond issue of $210,000 sold to Wood, Gundy & Co. on May 19th last. The signature of the Ex-Mayor not being satisfactory, and this complication arising after previous delays which had resulted in a final agreement for delivery on August 23rd, it was decided rather than call off the arrangement altogether to accept a new offer, although this course, unanimously endorsed by the council, meant an aditional $9,400 to the city.

When the tender of Wood, Gundy & Co. was accepted on May 19th, at 97.66 for the $210,000 of 5½s at 20 years, the price was considered a good one, and was in keeping with the generally strong conditions which prevailed in the market at that time. To-day, owing to the changed conditions, the price of 93.22, while it means $9,400 to the city, is still more attractive to the council than an effort to sell in the open market, particularly as the money is needed immediately, a factor in the situation which is recognized by the purchasers who have agreed to advance $40,000 pending the reprinting of the debentures. The whole situation is set forth in a communication from Wood, Gundy & Co., to the council under date of August 21st, confirming a conference between that body and the company's representative on August 19th:

> The city agrees to reduce the price to be paid by us for the $210,000 of electric light bonds to 93.22 and accrued interest, making the new terms of sale as follows:
>
> $210,000 City of Moose Jaw 5½ per cent. debentures dated 1st June, 1919, due 1st June, 1939, price 93.22 and accrued interest.
>
> In return we agree to your request to advance an amount of $40,000 for purchases made by the city under authority of this debenture issue pending delivery to us of the completed debentures.
>
> It is also agreed by us that the new price agreed upon shall be guaranteed finally by us on the distinct understanding that the city will do all in its power to hurry delivery of the bonds in view of the statements appearing in the press to-day that there will be no further dealing in Government or municipal bonds after September 8 next.
>
> We very much regret that it has been necessary for us to re-open this matter with the city, but we feel that we made the very best adjustment possible having in mind all the facts. As you know, our purchase was made on May 19 and the bonds were dated June 1, so that we were anticipating delivery in July. Shortly after making the purchase we re-sold the bonds largely to American investors, and as delivery was not completed in July these people began to insist on immediate completion of their respective transactions. While some clients cancelled their purchases outright, we were able to induce the larger holders to allow the business to stand, but as the market continued to drop, and the price these people had agreed to pay for these undelivered bonds became more and more reasonable under changing conditions, they became increasingly restive.
>
> Finally on communicating with the American Bank Note Company we were assured that the bonds would reach Moose Jaw on Friday, August 15, and by much effort we got our clients to agree to accept delivery but not later than Saturday, August 23.
>
> At this point we received a message from you stating that Mayor Hamilton had resigned, and suggesting that the signature of Mr. Hodge, the Deputy Mayor, be stamped on the coupons, and the bonds completed by Mr. Hodge. In an endeavor to meet the city in this suggestion we took the matter up with our solicitors and also with the purchasers of the bonds, and as a result have advised you that the bonds as printed now would not be acceptable to our purchasers.
>
> Under the circumstances it became necessary for the city either to relieve us of our obligation or to make us a sufficient concession in price to enable us to reinstate our sales with our clients. We feel that the price of 93.22 and interest agreed upon as one that is fair from the standpoint of the city to realize anything like as good a price as this on the market during the next few months at least.

Before accepting the proposal the members of the Moose Jaw Council discussed the situation thoroughly, but could see no way to avert the loss. There appeared to be only one alternative to accepting the proposal, and that by going to the courts to settle the question of the validity of the signature, but that, it was pointed out, would take perhaps "four or five years," and in the meantime "the money must be found"; besides it was admitted that the result would be uncertain and the legal proceedings costly.

R. C. Matthews & Co.

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W. Ross Alger & Co.

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J. E. CARTER

Investment Broker, Guelph Ont.

Woods Manufacturing Co., Limited

DIVIDEND NOTICE

THE regular Quarterly Dividend of One and Three-quarters per cent. (1¾%) on the COMMON STOCK of WOODS MANUFACTURING CO., LIMITED, for the Quarter ending August 31st, has been declared, payable September 1st, 1919, to shareholders of record August 25th, 1919.

By order of the Board,

JOHN T. F. KEENE,

Secretary-Treasurer.

FIELD OF MUNICIPAL FINANCE

LESS FIRE THAN SMOKE AT GRAFT INVESTIGATION

Reckless Talk in Barton Township Results in Court Case

EXPENDITURES SMALL

All But $6,000 of the Township Income Spent in Meeting Uncontrollable Obligations

There are few communities indeed throughout the country where vague charges are not to be heard from time to time against those who hold positions of financial responsibility and authority in municipal affairs. Usually these mutterings never get beyond rumor and those who start or further the charges are seldom "brought to time." However, charges which have recently been made against members of the Barton Township Council have taken such definite form as to result in a court inquiry, the results so far indicating a lot more smoke than fire.

Before Judge Snider, it was pointed out by Attorney Simpson for the township that the total taxes collected yearly were but $110,000 and as 90 per cent. of this was paid on uncontrollable debt, such as debentures, there was not much room for "graft."

One of the charges was that Superintendent Taylor had used his own team for road work. Mr. Taylor stated that he had no intention of using his own team on the work, but when there was urgent need of an extra team after the washout in July, he had no other choice. He called up several men, who own teams, to come on the job, but could not get them.

"Is there anything in the by-law appointing you to the position of road superintendent prohibiting you from using your own horses?" asked Mr. MsKenna.

"Not that I know of," stated Mr. Taylor.

"Is there any truth in the statement that you purchased a team after you had received the appointment?" was another question asked.

"No," was the reply. "I sold one horse and purchased another. My team is too light to do road work. I only used my team a few days so that the men would not be laid off, and to keep the urgent repairs going."

Charge of Wastefulness

That road work on the "mountain" had cost the township $400 instead of $200 estimated and that a lawsuit had cost $1.500 when he had been told that the expense was $200, were charges by Ex-Ald. Cook, who stated that the council had seemingly been wasteful. This brought Councillor Love to his feet with the reply that Mr. Cook should have investigated these matters when he was a member of the council and not try to saddle responsibility upon the present administration. In reply the former member of the council declared that it would have been presumptuous for him to interfere.

In adjourning the hearing until Sept. 3rd, Judge Snider mildly suggested that such random charges would have to be put into writing.

MOOSE JAW'S TAXES

Increase in Collections to the End of July

MOOSE JAW.—The half yearly collection of taxes was inaugurated in 1918, and it is interesting to compare the collection of taxes up to the 31st July this year, compared with 1918.

The following table gives the figures for each of these years, and from the figures it will be seen that this year the tax collections up to the 31st of July exceed the tax collections up to the 31st July, 1918, by $72,528:

Collections to July 31st

	1918	1919
Arrears	$ 59,205	$ 56,400
Current	294,214	369,549
Total	$353,420	$425,949
Total levy	$760,836	$806,186

SASKATOON REVENUE

Strike Had Important Effect on Railway Receipts

The Saskatoon city auditor's report for the first six month of 1919 reads in part as follows:

The statement of revenue and expenditure shows a deficit of $8,643.54, but no credit has been taken for the surplus earnings of the sinking fund, although revenue from this source amounting to $21,202 has been allowed in the estimate for this year.

The following statement is a summary of the profit and loss incurred in operating the public utilities:

Electric light and power, profit	$ 2,633.04
Waterworks, profit	8,402.56
Gross profit	$11,035.60
Street railway, loss	$ 5,984.74
Water delivery system, loss	99.12
Total loss	$ 6,083.86
Net profit	$ 4,951.74

In considering the above figures it must be remembered that the street railway lost at least $5,000 during the strike and the light and power department a like amount owing to the increased fuel cost brought about by the strike in the Drumheller coal district.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

Sept. 15, Charlottenburgh Township.—$30,000, at 5½ per cent., payable in twenty equal annual instalments.—Geo. A. Watson, Clerk, Williamstown.

Sept. 15, Trail, B.C.—$15,500, 7 per cent., half-yearly, 20 years, for civic improvements.—Wm. E. B. Monypenny, Clerk.

Sept. 3, Welland County.—$100,000. By-law can be seen at Clerk's office.—Robert Cooper, Clerk.

Sept. 3, Village of Killaloe Station.—$3,000, at 6 per cent., payable in fifteen years.—M. B. Grace, Clerk, Killaloe Station, Ont.

Sept. 3, Township of Brantford.—$26,000, at 5 per cent., twenty equal annual instalments, payable half-yearly.—James A. Smith, Court House, Brantford.

Rural Municipality of Pipestone.—$10,500, telephone debentures, interest payable half-yearly, 20 years. Tenders will be opened Sept. 20th.—G. F. Birney, Sec.-Treas., Reston P.O., Man.

BY-LAWS PASSED OR DEFEATED

Moose Jaw.—$13,000, on comfort station; $16,000 for repairs to bridge; $40,000 for completion of Park water system.

West Nissouri—$22,000 for permanent improvements, passed by Council Aug. 6.

BY-LAWS TO BE VOTED ON

Sept. 11, Regina.—$14,000 for permanent paved track crossings; $40,000 extension of light and power; $2,800 sewer connections; $4,200 water connections.

Sept. 4, Saskatoon.—$175,000 for the purpose of erecting a school building.

Sept. 20, Capreol.—$2,000 for erection of market building, etc.; $8,000 for erection of fire hall, etc.

Sept. 12, South Cypress—$4,000 for the purpose of erecting a curling and skating rink.

SASKATCHEWAN

Following is a list of authorizations granted by the Local Government Board from July 28 to August 2:

Rural Telephone Companies.—Trosstacks, $15,800; Lynne Grove, $15,700; Wabash, $2,000; Kenaston, $5,500; Mossbank, $3,800; Gerald, $6,600; Haldimand, $3,300; Muenster, $7,300; Southdale, $11,000; Ifield, $5,400; Hewson, $25,000; Silver Lake, $4,000; Hughton, $6,600; Willsmer, $8,600; Veregin, $19,000; Red Lake, $17,000; Logberg, $7,700; Rock Springs, $6,500; Gottinger, $1,800; Bellevue-Domremy, $9,900; Bruce, $14,100.

School Districts.—xKelliher, $13,500; Amulet, $3,000; Rocky Mound, $3,500; xNorthgate, $1,100; Asquith, $800.

xBeing sold by Local Government Board.

Following is a list of debentures reported sold from July 28 to Aug. 2:

School Districts.—Kelliher, $13,500, to Great West Life Ass. Co., Winnipeg; Webb, $10,000, to Harris-Read & Co., Regina; Ellerslie, $10,000, to Great West Life Ass. Co., Winnipeg; Scotstown, $3,565, to Great West Life Ass. Co., Winnipeg; Lochabar, $2,250, to Waterman-Waterbury Mfg. Co., Regina; Wawota No. 14, $12,000, to Great West Life Ass. Co., Winnipeg; Shellbrook, $1,060, to Harris-Read & Co., Regina; Bapaume, $3,000, to Waterman-Waterbury Mfg. Co., Regina; Edgeley, $4,000, to Great West Life Ass. Co., Winnipeg; Coal Dale, $700, to Harris-Read & Co., Regina; Gagenville, $2,800, to Great West Life Ass. Co., Winnipeg.

Telephones.—Heavylands, $1,850, to Harris-Read & Co., Regina; Manna, $18,300, to W. L. McKinnon & Co., Regina; Viceroy, $35,400, to Harris-Read & Co., Regina; Rosebank, $1,600, to Chas. Taylor, Nottingham; High Bluff, $23,600, to Harris-Read & Co., Regina; Drinkwater, $3,000, to Harris-Read & Co., Regina; Riceton, $2,500, to Harris Read & Co., Regina; Springwater, $7,700, to Goldman & Co., Regina; Ituna, $10,800, to W. L. McKinnon & Co., Regina.

BOND SALES

$200 Asbestos at 87; $2.400 Can. Cement at 100; $1,000 Can. Cottons at 85; $5,000 Cedar Rapids at 88¼ to 88; $2,000 Dom. Canners at 94; $8,000 Dom. Textile at 100 to 99½; $9,000 Dom. Cottons at 100¼ to 99¾; $2,500 Montreal at 101 to 100¼; 1,000 N.S. Steel at 83¼; $5,000 Nat. Breweries at 100; $5,000 Ogilvie "B" at 102½; $11,500 Quebec Rly. at 67 to 65½; $2,000 Riordon at 96½ to 96¼; $6,000 Span. River at 105; $6,500 Wayagamack at 86¼ to 85¾; $6,000 Winnipeg Rly. at 85 to 84½; $306,350 Victory Loan (1922) at 100⅝ to 99¾; $373,800 (1923) at 100¼ to 99⅞; $50,850 (1927) at 102⅝ to 101; $635,650 (1933) at 104 to 103⅝; $206,900 (1937) at 105¼ to 104¼; $48,250 War Loan (1925) at 100 to 95; $56,100 (1931) at 98¾ to 97⅝; $47,550 (1937) at 101¾ to 98.

INDUSTRIES HAVE A RIGHT TO GOOD GOVERNMENT

Local Business Men Should Take Interest in Civic Politics

LONDON MAN SPEAKS

Ontario Municipal Association Would Like to Assess Dividends From Industrial Securities

"No wise manufacturer will locate his factory in a community where municipal government is not efficient," said John H. Laughton, director the London Chamber of Commerce, addressing the Ontario Municipal Association, in convention in Toronto this week. "Governmental efficiency is of no little importance to the cost of manufacturing," said Mr. Laughton. Industries, he said, would locate where costs of government were lowest, where the schools were of the highest grade, where insurance rates were cheapest, where railroad facilities were most extensive and water, gas, house rents and living costs lowest. To bring about this condition of affairs, Mr. Laughton said it would be necessary for local industries to take a more direct interest in their civic government. The Chamber of Commerce must interfere in local politics and see that the civic officials were not worshipping the god of corruption and inefficiency. Right thinking people seldom interested themselves in local politics, but left the selecting of their city or township council to the minor citizens of the community, who would "vote for Bill, because Bill is a good fellow," regardless of his ability to serve the people, and it was this class of citizens who were moulding the character of the municipal government that prevails throughout our country to-day.

Mr. Laughton quoted as examples of the ideal Chamber of Commerce—the ones that rightly interfered in local poltics,—those in Chatham, St. Thomas, Brantford, Stratford, Guelph, Sarnia and London.

W. B. Doughty city solicitor of St. Thomas, spoke of the tendency of the provincial legislature in the past few years to shorten its sessions so as to complete business in hand before Easter. The natural result was that much legislation was rushed through in the last few weeks, and matters affecting municipalities became law before the municipalities even heard of their introduction. He suggested that the Bureau of Municipal Affairs be asked to supervise all municipal legislation and inform the municipalities regarding it.

The taxing of incomes was advocated by the association. James C. Forman, Assessment Commissioner of Toronto, thought that the legislature should give municipalities authority to assess the income from dividends of manufacturing firms, which at present were not subject to local taxation.

CAN KILL SCHOOL BY-LAWS

Vancouver City Council Finds Unexpected Authority

Vancouver city council has discovered an amendment to the British Columbia Municipal Act that permits the city to throw out all school by-laws for which estimates have not been received before February 15 of each year. The amendment is applicable to certain school by-laws now before the council.

PROSPERITY AHEAD

Two-and-a-half years more of prosperity lie ahead of us, according to a report upon business conditions issued by Harris Winthrop & Co., New York, compiled from 1,979 replies received to a questionnaire sent out by the banking firm.

The inquiries related to the supply of money, the growth of savings, bank deposits, the abundance or insufficiency of labor, the tenacity with which Liberty bonds are being held, the crop outlook and the prevalence of social and industrial unrest.

Western Canada Flour Mills Company, Limited

THE BOARD OF DIRECTORS of Western Canada Flour Mills Company, Limited, have declared a Dividend of two (2) per cent. for the three months ending 31st August, 1919, payable 15th September, 1919, together with a bonus of two (2) per cent.

The Transfer Books of the Company will be closed from 5th to 15th September, 1919 (both days inclusive).

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date.	Place and purpose.	Purchaser.	Rate.	Term.	Amount.	Price.	Basis
Aug. 15	Grantham Township, Ont.	G. A. Stimson & Co.	5½%	20-yr.	$35,000	....	....
Aug. 21	London, Ont., Storm Sewer	Local investors	5½%	10	100,000	par	....
Aug. 2	Saskatchewan, schools	Various (see list above)	....	....	62,000	....	....
Aug. 2	Saskatchewan, phones	Various (see list above)	....	....	104,750	....	....
Aug. 21	xMoose Jaw, Sask.	Wood, Gundy & Co.	5½%	20-yr.	210,000	93.22	....

xConfirming previous sale on new basis.

ODD LOTS

Provinces

		Price to Yield.
Alberta	1922	5.75
British Columbia	1939	5.50
Manitoba	1939	5.40
New Brunswick	1922	5.75
Nova Scotia	1929	5.40
Ontario	1928	5.35
Saskatchewan	1929	5.50

Cities.

Toronto	1937	5.35
Winnipeg	1939	5.40
Vancouver	1933	5.70
Halifax	1953	5.40
Calgary	1933	5.85
Victoria	1925	5.75
Regina	1923	5.75
Edmonton	1921	5.90

RENE-T. LECLERC
Investment Banker
160 St. James St. Montreal
Established 1901

We own and offer
$50,000
Town of
MIMICO
30 Year 5½% Bonds
at an attractive price
Mimico is the principal suburb of the City of Toronto and is developing at a rapid rate.
Send for particulars.
C. H. Burgess & Co.
Bank of Hamilton Building
TORONTO

We Own and Offer
PROVINCE OF BRITISH COLUMBIA
5½% BONDS
Due 1929
Price to Yield 5.40%
McKAY & McKAY
306-7 C.P.R. Bldg., TORONTO
Telephone Ade. 5682-3

ANNOUNCEMENT
Housser, Wood & Co.
Announce the Removal of their Office to
10-12 King St. East, - Toronto
Housser, Wood & Co.
INVESTMENT BANKERS
10-12 King St. East, - Toronto

FOR SALE
$100,000—5%—10-year, County of Welland Debentures.
Tenders will be received by the undersigned up to 12 o'clock noon, Wednesday, September 3rd, 1919. By-law of said debentures can be seen at the Clerk's office.
ROBERT COOPER,
County Clerk.

The Corporation of the
CITY OF TRAIL
BRITISH COLUMBIA
SEALED tenders will be received by the undersigned up to 5 p.m. on Monday, September 15th, 1919, for the purchase of $15,500 civic improvement debentures, dated October 1st, 1919, maturing October 1st, 1939, bearing 7 per cent. interesct payable half-yearly on April 1st and October 1st.
No tender necessarily accepted.
WM. E. B. MONYPENNY,
City Clerk.

Of 175,000 ballots of railroad maintenance-of-way men, and shopmen, only 2,000 opposed strike, according to union leaders at Detroit. Claim made 600,000 votes will be taken in United States and Canada, almost unanimous for walkout.

McDougall & Cowans
(Members Montreal Stock Exchange)
93-95 NOTRE DAME STREET WEST, MONTREAL
Branch Offices:
Quebec — Toronto — Ottawa — St. John — Winnipeg — Halifax
Connected by Private Wire

HIGH GRADE PULP AND POWER ISSUE
6½%
SERIAL SECURED GOLD BONDS
SAGUENAY PULP AND POWER COMPANY
Maturing from July 1921 to July 1934
PRICE: Par and Interest
BEAUSOLEIL LIMITED
112 St. James St. (Canadian Investment Securities) Montreal

Business Founded in 1795
AMERICAN BANK NOTE COMPANY
(Incorporated by Act of the Parliament of Canada)
BANK NOTES, BONDS, STOCK CERTIFICATES, CHEQUES AND OTHER MONETARY DOCUMENTS
SPECIAL FACILITIES FOR THE PREPARATION OF MUNICIPAL DEBENTURES
HEAD OFFICE and WORKS
OTTAWA
Branches:
TORONTO MONTREAL WINNIPEG

We are prepared to underwrite well secured bond issues of Industrial Corporations in good financial standing
R. A. DALY CO.
BANK OF TORONTO BUILDING
TORONTO

The Montreal City & District Savings Bank
NOTICE is hereby given that a Dividend of Two Dollars and Fifty Cents per share has been declared on the Capital Stock called and paid-up of this Bank and will be payable at its Head Office, in this city, on and after Wednesday, October 1st next, to Shareholders of record, Monday 15th September next, at three o'clock p.m.
By Order of the Board.
A. P. LESPERANCE,
General Manager.
Montreal, August 19th, 1919.

Debentures For Sale
Town of Cochrane, Ont.
$5,500 equal annual payment debentures, 20 years, bearing 6% (Six) coupons attached for the interest payable at any place in Canada, Great Britain or United States. Issued for waterworks extensions. Tenders will be received by the undersigned up to and including the 2nd day of September.
H. J. BROWN,
Treasurer

Tooke Bros., Limited
PREFERRED STOCK DIVIDEND No. 30
NOTICE is hereby given that a dividend of 1¾% on the Preferred Stock of this Company has been declared for the quarter ending 30th August, 1919, payable on the 13th of September to Shareholders of record on the 30th of August.
By Order of the Board.
W. S. BARKER,
Secretary-Treasurer.
Montreal, August 21st, 1919.

Lost Certificate
Certificate No. 647 for one share in the Common stock of Abitibi Power & Paper Co., Ltd., standing in the name of T. U. Fairlie, in trust, has been lost. Finder is requested to return same to the office of the Company in Montreal.

Dominion Glass Company Limited
DIVIDEND NOTICE.
NOTICE is hereby given that a dividend of one per cent. (1%) has been declared on the COMMON STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of September, 1919, payable Wednesday, the 1st day of October, 1919, to Shareholders of record at the close of business Monday, the 15th day of September, 1919.
By Order of the Board.
MERVYN OFFER,
Secretary.
Montreal, 21st August, 1919.

Dominion Glass Company, Limited
DIVIDEND NOTICE
NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of September, 1919, payable Wednesday, the 1st day of October, 1919, to Shareholders of record at the close of business Monday, the 15th day of September, 1919.
By Order of the Board.
MERVYN OFFER,
Secretary.
Montreal, 21st August, 1919.

7%
And a Bonus
We are offering a Corporation Security which has all the elements of safety of principal, surety of dividends and certain appreciated value of principal investment—through a bonus of common stock.
We will be pleased to supply full particulars on application.
Ferguson & Ormsby
159 Bay Street
TORONTO CANADA

SIZE, STRENGTH, LIBERALITY

The Sun Life Assurance Company of Canada, with over $340,000,000 of business in force, has all the advantages that size can bring to a life company.

With assets of over $97,000,000 and surplus of over $8,000,000 it has decided strength and safety.

Its policy, conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

For information as to contracts, communicate with the nearest Division office, or with the Company's Head Office in Montreal.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL
T. B. MACAULAY, President

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL

Authorized Capital - -	$2,000,000.00
Subscribed Capital - - -	1,000,000.00
Paid-up Capital - - -	247,015.79

General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Independent Order of Foresters

Furnishes a Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies issued from $500 to $5,000. For further information and literature, apply to

Benefits Paid 63 Million Dollars

FRED J. DARCH, Secretary
W. H. HUNTER, President
S. H. PIPE, F.A.S., A.I.A., Actuary
HEAD OFFICE - - - TORONTO

CONSERVATION OF LIFE INSURANCE

Life insurance is of supreme value in these uncertain times. Life insurance should not only be jealously guarded and kept in full force, but it should be increased if at all possible. It is a well known fact that the dollar has greatly diminished in value so that a given income will not purchase much more than one-half the amount that it would have yielded in pre-war days. Not only, therefore, should we resist every inducement to relinquish our insurance, we should rather increase our protection to the limit of our ability. Ther is nothing else to be compared with a life insurance policy as a protection for the home. During the policyholder's life it is an asset of ever increasing value: at death it is the financial anchor of one's dependents. Do not allow your "best friend" to induce you to give up a policy in a sound company. Take a new policy if you can, but never give up the old!

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO : : ONTARIO

$5\frac{1}{2}$% INTEREST RETURN

INVEST YOUR SAVINGS
In a $5\frac{1}{2}$ DEBENTURE of
The Great West Permanent Loan Co.
SECURITY

Paid-up Capital	$2,412,578.81
Reserves	964,459.39
Assets	7,086,695.54

HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

TOTAL ASSETS $2,468,523,08

A Canadian Company Investing its Funds in Canada

APPLICATION FOR AGENCIES INVITED

TORONTO: 20 KING ST. W. Lyon & Knowland, Agents

ARE YOU ACTING IN THE CAPACITY OF EXECUTOR?

If you are, and desire to be relieved of the detail work of the Estate, we would be pleased to act as your Agent. The law gives you the right to employ us, and our charges are very moderate.

Consult us about your Will

MONTREAL TRUST COMPANY
Sir Herbert S. Holt, President
A. J. Brown, K.C., Vice-Pres.
TORONTO OFFICE: 61 YONGE STREET
J. F. HOBKIRK, MANAGER

INVESTORS' INSURANCE NOTES

EDUCATION AS MEANS TO REDUCE OUR FIRE LOSSES

People Do Not Realize What Carelessness May Lead To

WOMEN AND CHILDREN

Should be Appealed to When It is Considered That Sixty-Five Per Cent. of Fires Start in the Home

By W. A. McSWAIN,
Fire Marshal, S. Carolina, read at Toronto Convention by Geo. H. Anderson.

With the strenuous efforts of individuals, of fire marshals, of fire departments, of states and municipalities, there has been very little reduction in the fire waste of North America. Why? Is this great waste of life and wealth due to the fact that the citizens of the United States and Canada are not awake to the situation, or is it because our citizens are uninformed as to this great loss of life and property? Most certainly the people are awake to the situation! Most certainly every man, woman and child of this great country is deeply interested in every life that is lost and in every dollar that is destroyed by the fires which are occurring every minute of the day and night. What, then, is the reason improvement in the elimination of fire waste is so small? Is it not due to the fact that so very few persons ever know of these occurrences, due in a large measure to the enormous area of the continent and the lack of proper interest? What proportion of the business men of this country ever read any part of a newspaper except such as refers to his particular hobby or business? What proportion of the busy housekeepers read about fires that destroy the lives of children and reduce to ashes within a few minutes the hard earnings of a lifetime invested in the home that is burned? It has been accurately ascertained that the largest proportion of the fires occurring in this country are due to what we term carelessness, or, to put it in other words, after a fire has occurred we have determined that it could have been prevented by the exercise of due diligence on the part of the owner or occupant.

One of the most striking examples of what may be accomplished in the elimination of fire waste is found in the experience of the United States Government in the housing problem in connection with the World War. Our Government found it necessary to build many communities entirely of frame construction, to be occupied as dwellings and dormitories. These buildings were occupied largely by men from every section of the country. The occupancy of these frame dwelling cities ranged in population from 60,000 men down, and each such building in these cities was equal in hazard to that of a frame hotel. The frame hotel is regarded by fire underwriters as especially hazardous. In many instances insurance companies decline to accept liability on frame hotels, so that we find the Government in this comparison confronted with what is known in underwriting circles as a special hazard. Yet, without automatic sprinklers, and in many known cases without adequate water supply, the actual loss of property in connection with this class of risk has been practically nothing.

What lesson do we learn from this experience of our Government? It is that if there is one agency more active than another in eliminating fire waste it is that of careful and systematic inspection with prompt removal of any condition found to be unsatisfactory. Of course, the Government, by reason of its military organization, was able to exercise a more rigid system than could probably be made effective in civil life; at the same time, it should convince us that this is the agency that we should encourage and emphasize as the most desirable means for curtailing fire waste.

The value of inspections in the matter of eliminating fire waste is further evidenced by the activity of fire marshals in many states and provinces of this continent in inaugurating campaigns for cleaning up and encouraging good housekeeping, but devoting to this work anywhere from one day to one week in the year. Of course, one day a year devoted to this work is better than none, but two days is much better, and one inspection a month highly desirable, while an inspection of his own property by each individual at least once every day is the most desirable of all, and would accomplish the best results. The value of such work is recognized by state and municipal governments in providing and enacting laws which have for their main purpose the safeguarding of lives and property against the ravages of fire waste, yet all regulations up to this time seem to be lacking in respect to the great importance of frequency in such inspections.

Due to Carelessness

In looking over the fires occurring in the United States in 1917, we find that 65% of them started in the homes in the country. In other words out of a total number of 356,896 fires occurring in 1917, the number of fires originating in dwelling houses was 232,021. Now, since we know that so large a proportion of the fires start in the homes of the country, is not this a splendid opportunity to enlist the mothers and children in this great agency of eliminating the fire waste by careful and frequent inspections with prompt removal of any unsatisfactory condition? Can you imagine a more fertile field? If we can arouse the mothers and children and housekeepers of this country to an active campaign against fire waste, it is clear that we will reach 65% of the places where fires begin. I believe that next to the fireside, the best avenue through which we may reach the mothers and children, is the public schools of the country.

To sum up, there are many active agencies interested in the elimination of the fire waste. These agencies have been successful in reducing the fire waste to some extent, yet there is need of a much greater, stronger force. Such a force seems to be the arousing of public sentiment to such an extent as will insure the co-operation of every individual in the matter of careful and systematic inspection for the purpose of eliminating careless fires. Such a public sentiment can only come as a result of a careful and systematic educational campaign conducted by those who have been trained in the matter of preventing fires.

MOTOR APPARATUS IN RURAL DISTRICTS

Co-Operation Between Farmers and Villagers is Needed for Efficiency

While methods of fire protection in cities and villages have been steadily improving, there has been little done towards providing fire protection for rural communities, according to H. L. Reade, State Fire Marshal of North Dakota, who addressed the Fire Marshals' Convention in Toronto this week. Co-operation between villages, the neighboring farmers within a radius of five or ten miles, and road supervisors is necessary for the successful eliminating of rural fire hazards, Mr. Reade said.

He advocated a light auto fire equipment, combining a chemical and pumping engine and hose wagon, recently brought out, as the ideal for the small rural district. The expense could be shared by the citizens of the villages and their neighbors, the farmers, thus cutting down the cost of fire protection in the village and providing the farmer with a reasonable protection. The lightness of the apparatus provided the necessary speed and facility of handling, that could not be obtained from the large city apparatus.

Mr. Reade also said that road supervisors could co-operate by keeping all roads and bridges repaired. Farmers could co-operate by equipping their barns with ladders, by installing fire extinguishers, and having boxes of sand ready for use in putting out small fires.

REGINA MAN PRESIDENT

Life Underwriters Will Meet Next Year at Quebec

Officers were elected by the Life Underwriters' Assocation of Canada at their annual convention in Calgary. E. S. Miller, of the Imperial Life, Regina, was chosen president. It was decided to hold the next convention in Quebec. Other posts were filled as follows:

Hon. President, P. A. Wintemute, Calgary.

Vice-Presidents: Mr. Fahay, Metropolitan Life, Vancouver; C. P. McQueen, Great West Life, Calgary; S. T. Adler, Canada Life, Saskatoon; W. T. Hunt, Policy-Holders Mutual, Winnipeg; T. J. Patton, Mutual of Canada, North Bay; C. C. Gauvin, New York Life, Montreal; R. C. Cruickshank, Northern Life, St. John, N.B.; George E. Archibald, Canada Life, Sydney; E. R. Brow, Sun Life, Charlottetown; J. A. Mackenzie, Imperial Life, St. John's, Newfoundland.

Chairman of Executive: J. B. Hall, Dominion Life, Toronto.

Honorary Secretary: George L. Goodrow, Hamilton.

CANADA LIFE'S BIG WEEK

In a message to his staff, H. C. Cox, president of the Canada Life Assurance Company, points out that the company is doing more business now than ever before in its history. During the last week in July policies to the amount of $1,092,000 were written up, exceeding all former records for a single week. To date the 1919 total of insurance issued by Canada Life is $27,000,000.

KEEPING POLICY UP TO REPLACEMENT COST ESTIMATES

Some Important Points Advanced by a Manufacturer

AS TO WRITING OFF

Suggestion of 53% on Plant and 45% on Property Considered Excessive for a Twenty-Year Period

The same day on which the article in last week's issue of THE FINANCIAL POST, entitled "Fire Adjusters Issue Warning to Business Men" reached the head of a large manufacturing concern in Ontario, he dictated an interesting letter to this paper based on his own experiences. Pointing out among other suggestions, that more care should be taken to see that insurance is kept up to the new standard of values set by the increased cost of construction, that is "replacement," a very live item with fire insurance companies. The letter of the manufacturer stated that he had had a very large percentage of the valuation made on his property deducted in the insurance adjustment, which worked out at 53% reduction on the machinery, and 45% on the building, and yet both, on the statement of the writer, had been kept in first-class condition.

An inquiry among expert adjusters, one of them a specialist in connection with the very class of risk that is referred to, has led to the opinion that the deductions that had been made were excessive. The latter is quoted herewith—with a few details omitted that may be considered advisable in publication—in order to illustrate points that THE FINANCIAL POST is endeavoring to bring before the investigators in insurance, and will continue along other angles in the next few weeks.

The Insurance Editor,
The Financial Post,
Toronto, Ont.

We note in your issue of this week an article headed, "Fire Adjustors Issue Warning to Business Men."

In this we note you say that the valuation loss at the present time is not the cost value but the replacement value, less depreciation, and we should be glad of your advice on a point in connection with depreciation.

We recently had the misfortune to lose our mill at —— by fire. We had an appraisal, dated 1900, which revised on to-day's valuation shows machinery standing at ——, and the mill building at ——. The adjustor on the machinery used a scale of 4 per cent. per year reduction, which worked out at 54 per cent. reduction, or a depreciated value to-day of say, ——, while another adjustor on the mill building figured the depreciation at about 45 per cent.

In the case of both the mill and machinery these were kept in first class condition, the mill being able, at the time of the fire, to produce as much lumber per day of ten hours as at any time in its history, and it looks to the writer that this amount of depreciation is excessive in view of the fact that the mill was kept up. No doubt there should be a reasonable reduction for depreciation, or rather for the machinery or plant being somewhat old-fashioned, but we think that the matter of depreciation on a —— plant, and frame building, is as great at the end of ten years after building as at any time afterwards, as our experience shows that the amount required to replace timber and machinery parts is practically the same year by year for the last twenty years.

We should be glad to have your opinion as to what limit, if any, could be set on depreciation.

If carried out to its ultimate conclusion on the basis taken by this adjustor it would reduce values to an absurdity. For example, our neighbors at ——, whose mill was built in ——, would receive only 23 per cent. of its replacement value, and another mill at —— only 20 per cent. of its replacement value, and as both of these mills are in first class condition—this looks absurd.

We should be glad to have any information you can give on this matter.

Would Deduct Only 1% On Average

The course of the conversation between the THE FINANCIAL POST and one expert adjuster, will be of interest in connection with this letter.

The question as to whether the deduction on a "first class mill" of 53% on machinery and 45% on the property were not rather excessive, his reply was in the affirmative. Covering the nineteen years his deduction worked out an average of 1% a year, or a total not exceeding 20%, under the circumstances detailed.

"A good mill, a going concern, that maintains its plant to the standard of production throughout the entire period, replaces deficiencies constantly; the worn-out parts are replaced month by month as the defect appears. In the case of machinery parts become obsolete very quickly, as new inventions bring in new machinery that is more rapid or produces at least cost, or in some other way more efficiently. Thus in the case of machinery it is hard to arrive at an estimate. But with the building, new parts are substituted for old and outside very often of the roof a building remains solid and substantial year after year. Often the

Continued on page 16

CANADIAN ORDER OF CHOSEN FRIENDS

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

J. L. Davidson, Grand Councillor.
W. F. Montague, Grand Recorder
W. F. Campbell, Grand Organizer.
J. H. Bell, M. D., Grand Medical Ex.
HAMILTON - ONTARIO

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance.
HEAD OFFICE - - LONDON

BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

Assets over -	$4,000,000.00
Losses paid since organization, over -	$45,000,000.00

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes. Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.

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Losses paid since organization over -	$74,000,000.00

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Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.

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THE TIMAGAMI FOREST RESERVE

Every angler who knows the real thrill of landing a "big Fellow" desires to enjoy the sport that the wonderful Timagami region of Ontario affords. Sportsmen who have fished all the important waters of the continent declare that the fishing in Timagami cannot be excelled. Lake Timagami with its sixteen hundred islands and three thousand miles of shore line is the home of the black bass, the brook trout and other game fish, while the innumerable smaller lakes are also well stocked. There are no hardships to be encountered in reaching Timagami. A few minutes after leaving the Grand Trunk through train from Toronto the Sportsman finds himself in the bosom of the forest, and in a labyrinth of islands, inlets and channels inviting him to go north, south, east and west. There are good outfitting facilities, and also some boarding establishments, but this great region is still absolutely unspoiled. For full particulars and information regarding this territory apply to any Grand Trunk Ticket Agent or C. E. Horning, District Passenger Agent, Toronto, Ont.

HOUSE SHORTAGE BIG REASON FOR RENT INCREASES

Higher Taxes and Rising Building Cost Are Important Factors

TORONTO CONDITIONS

Rents Are Likely to Stay on High Level Until New Building Relieves the Present Shortage

The rather reckless charges about profiteering in rents bring to attention a very complex problem in the real estate situation from the standpoint of the builder and property owner. In Toronto rents have continued to rise during the past two years, until now the general level is higher than it was even in the years 1912-1913, when real estate was at the height of the last "boom." The shortage of homes and the higher building costs are the chief reasons. The demand, especially for apartment houses, is much greater than the supply, and with tenants bidding against each other for homes, rentals have gone up, and real estate men see no immediate prospect of any reduction. Taxes have advanced from the pre-war average of 18-20 mills on the dollar to around 28 mills on the dollar, through the assessments, especially on the smaller homes, have not gone up to much beyond the 1914 figures. Repair costs and maintenance costs have practically doubled.

Landlords have felt—and properly, too—that they should be allowed to even up with the lean years early in the war, when rents in Toronto dropped to very low levels. The city had just emerged from a period when building was at a high level and there was no shortage of homes. In 1915 the city had not yet begun to feel the prosperity that was brought by war contracts. Families that had sent their menfold overseas were doubling up, and houses were rented at a figure that could not pay interest on the investment. Many landlords were willing to rent their houses at $10 and $12 a month, merely to keep them tenanted so as to protect the plumbing, electrical fixtures and other movable property.

The Builders' Position

Though the selling value of property in Toronto has not increased much above before-the-war levels, building costs have gone up, on some classes of homes, as high as 65% Many of the homes built in 1912-1913 were of the "jerry" class, hurriedly constructed to meet the demand, and the selling prices were probably higher than the real value. Officials of the city architect's department report, however, that houses being built now, are being built more solidly, and builders are willing to take a profit more commensurate with the value of the house. Some of the most important increases in the costs of building material are: Bricks, up 50 per cent.; cement, up 60 per cent.; lumber, up 65 per cent.; hardware, plumbing, heating, and all labor costs, up 100 per cent. One particular example may be noted. A three-piece bath, sink and laundry tub outfit, cost $175 in 1913. Now the cost is $385, more than 10 per cent. of the cost of the average small home.

There is little likelihood of rents coming down in Toronto. Practically all the building going on is being contracted for by the many who intend to live in the houses when they are built. For some holders of rentable houses, who are exacting rents that can only be justified by the law of supply and demand, there is a note of warning in the statement made by a man in touch with the real estate situation, who said: "Profiteering in rents will lead people to buy their own home, and cast their old landlords to one side."

SOUTH VANCOUVER'S TAXES

Big Increase in Collections During First Half of 1919

SOUTH VANCOUVER. — Total municipal collections in South Vancouver for 1919 up to the close of July totalled $821,543, showing an increase of $605,453 over the corresponding figures for 1918 of $216,090.

The collections for last year up to the end of September, which terminated the rebate period, totalled $677,151. This year's collections to July 31st, are $144,392 in excess of the total collections for last year. It is expected that this amount will be substantially incrased by the end of September, when an additional five per cent. penalty will be attached to unpaid taxes.

The 1919 collections include: Taxes, $688,579; school, $56,281; water, $54,285; sundry, $22,398. Tax collections for the same period in 1918 were $99,468.

CANADIAN STOCKS

Quotations of listed Securities on the Montreal and Toronto Stock Exchange, with prices at closing on Aug. 28 In stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active (Reserve Funds, Profit and Loss, include all Reserves except "Depreciation.")

BANKS

Capital Stock Outstanding	Reserve Fund	Profit and Loss	Net Earnings % 1917-18	Dividends 1915	Dividends 1916	Dividends 1917-18	Last Dividend Date 1918-19	Rate	Yield to Aug. 21	BANKS	Range 1916 High	Range 1916 Low	Range 1917 High	Range 1917 Low	Range 1918 High	Range 1918 Low	Range 1919 to Aug. 21 High	Date	Low	Date	Close Aug. 29 1918 Ask	Close Aug. 29 1918 Bid	Close Aug. 28 Ask	Close Aug. 28 Bid	Week ending Aug. 28 High	Low	Close	Sales
4,866,666	3,017,333	428,844	13 70	7	7	8				British North America	112	110	112	112	165	112												
15,000,000	15,000,000	1,444,842	19 00	10+2	10+2	10+2	1st June	3	6.03	Commerce	203	183	188	182½	202	183¾	215	Jan. 9	198¾	Jan. 21	186¾	185		198¾	199	198½	199	48
6,000,000	7,000,000	446,503	18 10	12	12	12	1st July	q. 3	5.85	Dominion	220	204	212½	202	209½	199	219	Jan. 20	199½	June 26	202			205	205	205	205	20
3,000,000	3,500,000	85,114	19 62	12	12	12	1st June	q. 3	6.31	Hamilton	197	246¾	192	184	188½	184	209	Jan. 15	181½	May 27			188	184	190	188	188	41
4,000,000	3,800,000	62,959	14 87	9	9	9	1st June	q. 2¼	5.69	Hochelaga	149	145	148	140	143	140	160	July 26	147	Jan. 13								
7,000,000	7,500,000	865,459	17 81	12	12	12	1st Aug.	q. 3	6.03	Imperial	203	180	200½	185	202½	185	210	Jan. 20	196	July 24	185		200½		200	200	200	9
1,946,896	300,000	145,238	11 15	7	5	5	1st June	q. 1¼	6.32	Home Bank																		
7,000,000	7,000,000	574,043	19 75	10	10	11½	1st Aug.	q. 2¾	5.67	Merchants	180	150	170	167	180	169	202½	Apr. 25	180	Jan. 2			195		195	194	195	75
4,000,000	4,800,000	248,029	17 90	11	11	11	1st July	q. 3	6.21	Molsons	195	182	186	179½	179¾	179¾	200	Jan. 17	179½	Jan. 3	179¾			190	193	193	193	25
16,000,000	16,000,000	1,901,613	16 01	10+2	10+2	10+2	1st June	q. 3	5.60	Montreal	240½	219	234	210	218½	210	225	Apr. 24	210	Mar. 20					213	213	213	81
2,000,000	2,200,000	48,699	26 67	8	8	9	1st Aug.	q. 2¼	5.66	Nationale	134	134	149	134	148	148												
6,500,000	12,000,000	749,694	21 70	14	14	14	1st July	q. 4	5.77	Nova Scotia	261	254	257½	248½	251½	248	278	July 25	255	Jan. 4					278	276¼	275¼	25
4,000,000	4,750,000	199,855	16 12	12	12	12	1st May	q. 2	5.76	Ottawa	204	202	202	200	206	201	208	Feb. 1	203	Jan. 4								
14,000,000	15,000,000	535,757	20 06	12	12	12	1st June	q. 3	5.58	Royal	221½	210	214	208	215	205	217	Aug. 12	205	Feb. 17	208		216		214	213½	214	24
3,500,000	4,500,000	227,326	19 91	13	13	13	1st Aug.	q. 3¼	6.04	Standard	221	211¼	215	200	208½	200	217	July 15	204½	Apr. 25	200		215½		215¼	215¼	215½	6
1,223,341	400,000	40,909	17 50	6	6	6	15th Aug.	q. 1½	6.59	Sterling																		
5,000,000	6,000,000	625,623	16 90	11	11	11	1st June	q. 3	6.03	Toronto	215½	190	192	187½	193½	184¾	205	Feb. 4	193	Jan. 6			196		196	196	196	25
5,000,000	3,600,000	126,298	15 48	8+1	8+1	8+1	1st June	q. 2½	6.25	Union	140	132	142	135	162	137	171	Jan. 7	157½	Feb. 20		155½		161	162	160	162	14

TRANSPORTATION—RAILWAYS, NAVIGATION AND STREET CARS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1916	1917	Last Dividend Date	Rate	Yield	Name	1916 High	1916 Low	1917 High	1917 Low	1918 High	1918 Low	1919 High	Date	Low	Date	Close 1918 Ask	Close 1918 Bid	Close Aug. 28 Ask	Close Aug. 28 Bid	Week High	Week Low	Week Close	Sales
27,450,000	8,483,500	50,867,325							Barcelona, T. L. and P.	17	19	17	8	15¼	8¾	13¼	Jan 10	8½	Aug. 21	11	10½	10	9¾	10	9½	10	50
106,417,800		7,500,000	5,190,986	4	1	1st Mar. 17	q. 1		Brazilian Traction L. and P.	62½	43	47¾	31¾	40	32	61	July 10	50	Feb. 4	40	39½	50¾	50½	52¾	50½	50½	3,179
	10,000,000			6	6	1st July	q. 1½		Brazilian Traction, Pref.																		
12,000,000		6,684,206	5,009,630			16th June	q. 1	7.40	Canada Steamships Lines, Com.	45	16	45½	29¾	51	39¼	55	Aug. 12	41½	Feb. 2	43½	42¾	54½	53¼	54½	53½	54	980
	12,500,000			5¼	19.83	1st July	q. 1¾	8.43	" " " Pref.	95½	89¾	93¾	71	80	72½	87½	June 2	77	Feb. 13	77¾	77	83½	82¾	83½	83	83	1,850
260,000,000	80,681,921	271,934,882	233,990,716	10	10	1st July	q. 2½	5.90	Canadian Pacific Railway	182½	163¾	167½	127¾	185	137¾	175	July 16	160	Jan. 9	172	170						
15,000,000		35,326,500	7,978,243	6¾	7¾	1st June	q. 2	7.92	Detroit United	128½	69	128	104¾			110	May 13	94	May 10			100½	100	100	100	100	418
3,500,000	1,500,000	3,500,000	576,002		2	2nd Jan.	s. 1	7.14	Duluth Superior Traction Co., Com.	49	37	51	40	42	41	32	Apr. 16	28	Feb. 21								
12,331,000		4,562,000	1,060,346	3	3				Illinois Traction, Com.																		
	7,289,500			6	6	1st July	q. 1½	7.50	Illinois Traction, Preferred	91	87¾	89	79	80	80	80	Feb. 1			80		75		75	75	75	5
20,000,000		16,381,333				1st Nov. '13	q. 1¼		Mexico Tramways Co.																		
25,206,800	12,603,400	87,369,600	19,911,878	7	7	15th Oct.	s. 3½		Minn., St. P. and S.S.M., com.																		
3,394,800		35,608,153	1,256,449	10	10	2nd July	q. 2½	8.69	Montreal Tramways			181	144	150	150	114¾	June 4										
9,000,000	4,465,500	14,075,000	2,428,908	5	5	15th Sept.	q. 1¼	6.84	Northern Ohio Traction																		
3,000,000		3,931,666	173,084			1st Oct. '14	p. 1		Porto Rico Railways Co., Com.	49½	30	42	30	37	25¼	35	Feb. 8	25	June 6								
	1,000,000			7	7	1st July	q. 1¾	8.75	" " " Pref.	30		80	80														
9,999,500		10,797,000	684,572			15th Jan. '12	q. 1 p		Quebec Railway L., Heat & P. Co.	45	14	35½	14½	22½	15	22	Mar. 8	16½	Feb. 19	19	18		17	17½	15¾	16½	800
12,000,000		3,730,253	6,675,017	8	8	2nd Jan.	q. 1		Toronto Railway	111	72	90½	58½	65	58	55	Jan. 4	39	June 14	61	60		40	42	40	40	22
22,000,000	3,000,000	20,263,000	1,285,804	6	6	2nd Jan.	q. 1	8.00	Twin City, common	101	93¾	95	63	68½	39½	58	June 4	39	Jan. 2	45	44						
9,000,000		10,130,000	1,502,068			1st Jan. '16	q. 2½		Winnipeg Electric	110	90	81	36	48	48	49	Mar. 3	35	Jan. 16	48							

TELEGRAPH, LIGHT AND POWER UTILITIES

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1916	1917	Last Dividend Date	Rate	Yield	Name	1916 High	1916 Low	1917 High	1917 Low	1918 High	1918 Low	1919 High	Date	Low	Date	Close 1918 Ask	Close 1918 Bid	Close Aug. 28 Ask	Close Aug. 28 Bid	Week High	Week Low	Week Close	Sales
18,000,000		11,149,000	2,286,556	8	8	15th July	q. 2	6.66	Bell Telephone	152	140	180	129	132½	128	133	May 19	114	June 7	130		118		119	118	119	78
5,360,700				10	10	1st July	q. 2½	6.66	Consumers Gas	176	160	165½	147	153	144½	152	Feb. 14	147½	June 17		145½						
1,900,000		2,999,813	177,747						Calgary Power																		
41,380,400			1,924,151	5	1½	1st July	q. 1½	7.67	Mackay, common	69¼	64½	90	70¾	79¾	72½	82	May 12	71½	Jan. 23	82½	82¼	78	77½	78	77¼	77½	207
	50,000,000			4	4	1st July	q. 1	6.15	" preferred	15	15	68	59	66½	56½	68	June 6	64½	Jan 28	65½	65	66	65¾	66½	66¼	66¼	39
13,585,000	6,000,000	21,073,833	318,522			30th Dec. '13th	q. 1		Mexican Light and Power Co., com.					20	18	18	June 6										
63,965,800			1,585,313		4	15th Aug.	q. 1¼	5.49	Montreal L., H. and Power Cons.			82½	67½	88½	68¼	95	July 24	84½	Feb.	79½	78½	92	91½	91½	91	91½	512
3,499,120		1,275,000	884,525	6	6	1st July	q. 1½	7.31	Ottawa, Light, Heat and Power Co.	95¼	92	92	69½	86	69	82¼	June 10	75	Jan. 18								
15,000,000		12,838,761	2,992,348	7	7	10th July	q. 1¾	5.78	Shawinigan Water and Power Co.	137	126¾	130½	107	118½	105	127½	May 8	114½	Jan. 13	116¾	116	123	121	122	120½	122	105

INDUSTRIALS AND MISCELLANEOUS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	1916	1917	Last Dividend Date	Rate	Yield	Name	1916 High	1916 Low	1917 High	1917 Low	1918 High	1918 Low	1919 High	Date	Low	Date	Close 1918 Ask	Close 1918 Bid	Close Aug. 28 Ask	Close Aug. 28 Bid	Week High	Week Low	Week Close	Sales
5,000,000	1,000,000	5,953,200	632,047	1¾	7	1st July	1¾	8.86	Abitibi Power and Paper, com.			58½	48	51½	48	82½	July 16	48	Jan. 3								
6,514,000	7,895,200		525,402						Amer. Cyanamid, com.			30	19	25½	21	47	July 8	38	July 7								
3,500,000		1,562,666	507,408						Ames Holden McCready Co., com.	35	19½	25½	12	28	15	53¼	July 14	26	Jan. 3	28	26	82		58	48	52	2,116
	2,500,000					2nd July	q. 1¾	7.52	" " " pref.	80½	52	61	47	72½	47	101½	July 15	65½	Jan. 2	71½		100½	100¼	102¼	93¾	100	4,285
4,265,600				4	4	21st Feb.	q. 1¾	8.33	British Col. Fish, com.			56	35	51½	41	66	July 18	46	Mar. 15	51	50		60	60	60	69	75
7,000,000	2,000,000	1,452,000	607,100		5	7th Aug.	1¼	8.62	Brompton Pulp and Paper, com.			59	38	68¾	41½	66	July 18	58	Apr. 30	59½	59½	58¾	58½	59	58½	58½	1,760
750,000			721,391	6	6	1st July	q. 2	8.24	F. N. Burt Company, com.	88	72	82	65	75	68	97	Aug. 13	71	Jan. 13				97½	97½	97½	97½	2
	1,975,200			7	7	1st July	q. 1¾	7.21	" " " pref.	96	86	93½	86	90	77¾	97	Aug. 13	90	Jan. 22		84¾		97½	97½	97½	97½	39
2,500,000		3,750,000	153,523		2	2nd Jan. '17	2		Canada Bread, com.	30	16½	20	13	24½	16	23½	Jan. 11	18	Feb. 11	19½	19	19	18½	19	19	19	50
	1,250,000			7	7	1st July	q. 1¾	8.75	" " pref.	90	87	86½	80	83½	83¼	85	Jan. 16	80	July 16					80	80	80	15
13,500,000		6,839,046	4,002,643	4½	6	16th July	q. 1½	8.95	Canada Cement, com.	73	37¾	69½	52	69¾	56½	71½	July 28	63	Feb. 6	68½	68¼	68½	67¾	68¼	67½	68	348
	10,500,000			7	7	16th Aug.	q. 1¾	6.93	" " pref.	9	86	95½	90	96	90	102	July 25	95	Jan. 2	92¾			100	100½	99	100	143
4,975,000		5,222,593	5,830,171			2nd June '14	s. 2		Canadian Car and Foundry, com.	75	32	46½	17	38¾	18	47½	June 28	28	Jan. 2	38	37		38½	38½	33½	35½	805
	7,500,000					10th July	q. 1¾	7.00	" " " pref.	94	1¾	89	49	91	49½	100	July 25	82	Jan. 23	90½	90	96	94½	96½	95	96½	335
1,7[illegible]8,500		399,000	541,711		3	15th Aug.	q. 1¾	7.81	Canadian Converters	46	34	43	39	50	43	67	July 24	45	Feb. 6					64	63¾	64	90
2,715,500		4,688,000	1,948,109	3	4	4th July	q. 1¼	6.59	Canadian Cottons, Limited com.	65	39	56	46½	70	48½	95	July 17	67	Feb. 20	70	69¾	90		88½	88½	88½	10
	1,661,500			6	6	4th July	q. 1½	7.14	Canadian Cottons, Limited, pref.	82½	75½	82	75	77	71	87¾	Apr. 22	76	Jan. 10	76		85	83½	83½	83¼	83½	66
600,000	31,500,000		1,762,537	3	9	18th Jan.	s. 3		Canadian Fairbanks-Morse, pref.																		
960,000		179,200	1,297,106	10+9	12+3	15th Aug.	q. 3	6.31	Canadian Foundries & Forgings, co	217	170	205	150	213	150	408	July 9	185½	July 2	205		190		188	187	187	150
	960,000			7	7	15th Aug.	q. 1¾	7.21	" " " pref	90	86	84	82	97	90	89½	Feb. 13										
[illegible]		1,500,000	1,657,324		3	1st July	q. 1½	7.22	Canadian Locomotive Co., com.	64½	51	64	52½	69½	58	85½	July 15	60	Feb. 20	67	65½	84	83½	85	84	84	135
	1,500,000			7	7	1st July	q. 1¾	7.52	" " " pref.	99	81	91½	83	90½	83	95	July 7	89½	Apr. 8	90	85			92½	92¾	92¾	10
2,805,500		9,500,000	4,305,934			15th Oct. '14			Can. Consolidated Rubber, com.	91	84	99½	90	100	98	850	July 9										
	3,000,000			7	7	30th June	q. 1¾	7.00	" " " pref.	97	91	99½	95	98	97	100	July 11	97	Feb. 7								
8,000,000			5,122,776	8	8	1st July	q. 2	7.27	Canadian General Electric, com.	121	108	115½	99½	106	99½	116	May 9	101½	Mar. 18	103	102½	109		109	108½	108½	60
	2,000,000			7	7	1st Apr.	s. 3½	6.36	" " " pref.	112	110	106	94½	110	100												
1,200,000		465,500	573,116						Carriage Factories, Limited, com.	44	29¾	25	9¾	17	15	16	Aug. 13	13	June 6								
	1,200,800					15th July '15	q. 1¾	10.00	" " " pref.	75	60																
565,000		55,114	159,507	4		1st Oct. '16	q. 2		City Dairy, com.	98	89	30	30	50	30	62¼	May 27	45	Jan. 28								
	700,000			5¼		1st July	q. 1¾	7.44	" " pref.	100½	92	70	60	87	60	94½	June 13	84	Feb. 18								
6,500,000			3,025,307	8+12	9½+2	15th Aug.	q. 3	8.08	Dominion Bridge Co.	231½	160	170	125	128	123	133	Jan. 13	99	Aug. 18	123		98	95	95	95	95	45
2,796,300		1,179,410	1,472,121			1st Apr. '14	q.		Dominion Canners, com.	22	15	26	19	43	40	59	July 9	34	Mar. 14	40	28		47	48	44	47½	295
	2,290,600				7	1st July	q. 1¾	7.69	" " pref.	65	61½	78	65	81	65	92	June 6	76	Jan. 10								
37,097,700	7,000,000	21,206,777	15,562,286		4½	1st July	q. 1½	9.23	Dominion Steel Corporation, com.	82	43	71¼	50¾	65	53	73	July 12	58¼	Feb. 3	64½	64½	66	65½	65½	64¾	65½	8,360
	5,000,000	13,861,880		7	7	1st July	q. 1¾	7.07	Dominion Iron and Steel, pref.	105	90	95	87½	98	88	100	May 16	93½	Jan. 2		94	99		98	99	99	5
15,000,000	3,000,000	6,162,000		7	7	1st Aug.	q. 1¾	7.14	Dominion Coal, pref.	99	93	95½	85	96	94¼	100	June 11	95	May 2								
5,000,000		3,267,500	2,189,194	6	7	1st July	q. 2	6.89	Dominion Textile, com.	90½	74½	89	76½	100½	90¾	125¾	July 16	100	Feb. 5				116	117	117	117	190
	1,940,600			7	7	15th July	q. 1¾	6.60	" " pref.	105	101	105	99½	102	100	108	Mar. 14	101	Jan. 15				105¼	105¼	105¼	105¼	5
2,250,500		1,150,000	520,221						Goodwins, Limited, com.	40	40			15	11	27	July 21	10	Feb. 5				25	25	18	25	6
	1,750,000					2nd July '14	q. 1¾		" " pref.	75	40	45	45	45	45	75	July 17	45	Jan. 11				71	75	75	75	10
747,560		210,000	1,360,336	6	6	2nd July	q. 1½	6.00	Goulds Manufacturing Co., com.			100	100	100	100												
	747,500			7	7	2nd July	q. 1¾	7.00	" " " pref.			100	100	100	100												
6,267,005	500,000		1,009,017			2nd June	50c		International Petroleum			15.30	11.60	20.50	13.00	32.25	May 14	19.25	Jan. 8								
40,000,000		8,294,000	4,541						Lake Superior Corporation			24	10														
2,100,000		900,000	978,797	8	8	2nd June	q. 3	6.00	Lake of Woods Milling Co., com.	126¾	122	130	120	169	120½	205	Aug. 20	157	Mar. 26	153	150½	205	203	205	200	205	75
	1,500,000			7	7	2nd June	q. 1¾	6.60	" " " pref.	[illegible]	116	116	116	110	100	106½	Jan. 16	106	Jan. 17								
9,600,000		620,615	2,425,548	8	10	2nd July	q. 3+3	5.88	Laurentide Co.	217½	176	195	152	198	152	228	June 23	192	Jan. 10	184	183½	209½	209½	211	209½	209½	370
1,750,000	1,300,000	1,038,600	365,852		2	10th July	2	10.00	Lyall Construction Co., com.	93	25	80	58	85½	63	83¼	July 23	64	Apr. 2	84	82½			80	79½	79½	40
3,000,000	1,766,800		190,908			30th June '13			A. Macdonald Co. com.	19½	10	15½	8	23	13½	36	July 4	21½	Jan. 10	20½	20½	31¼	30	31½	30½	31	140
2,500,000			2,072,508	9	22½	18th July	q. 3	6.74	Maple Leaf Milling, com	182	100	115	90	140	91	178½	July 16	121½	Jan. 30	119½	119		180	180½	179	180	70
	2,500,000			7	7	18th July	q. 1¾	6.60	" " " pref.	108	98	103	91¾	98½	91½	107	June 23	96½	Jan. 8			105½		106	108	108	35
2,949,600		774,689	2,420,384	4	4	14th June	q. 1	5.63	Montreal Cottons, Ltd., com.	63	50	58½	49	61	50	72½	Apr. 8	58½	Jan. 9				70	71	71	71	15
	3,000,000			7	7	14th June	q. 1¾	5.79	" " " pref.	115	99	103	99	100	99½	103	Mar. 15	100	Jan. 17					103	103	103	20
1,275,000			527,504			1st Nov. '13	q. 1½		Monarch Knitting Co., com	40	28¼	40	30	46	39	60	Mar. 12	50	Jan. 28								
	750,000			7	7	1st Aug.	q. 1¾	7.77	" " " pref.	83	80	81	80	90½	75	92	June 13	78	Jan. 6								
2,000,000			2,331,209						National Steel Car, com.			21	5	10½	5	16	Feb. 27	5	Jan. 16								
	1,500,000			3½		15th Jan	q. 1¾		" " " pref.			78	17	40	20	39	Mar. 19	18	Jan. 14								
15,000,000		11,169,619	4,616,584		5+20	15th July	q. 1½	6.66	Nova Scotia Steel, com.	154½	90¾	128	66	71½	63½	97	June 8	48	Mar 5	67¾	67½						
	1,000,000			12	8	15th July	q. 2	7.61	" " " pref.	115	110	112	105	103	100	112¾	July 4	104½	Mar. 21					106	106	106	15
2,500,000		2,350,000	3,880,592	8+4	10½15	1st July	q. 3	4.80	Ogilvie Flour, com.	158	137½	158	137	205	140	260	June 4	194	Mar. 11		200						
	2,000,000			7	7	2nd June	q. 1¾	6.48	" pref.	116	44½	115	107	111	100	110	Feb. 8	106	Jan. 13			108½		109	109	109	5
750,000		575,100	843,029						Ont. Steel Products, com.	45	19	34	18	35	22½	36¼	June 30	27	Apr. 28			34½	34	34	33½	34	35
	750,000			5½	7+1¼	15th Aug.	q. 3½	9.09	" " " pref.	91½	73	74	74	78	73	81	July 30	75	May 19				78	78	78	78	25
650,000			38,026	2	2	1st July	s. 1	6.25	Pacific-Burt Co., com.	29	20	40	28	24	34	32	Aug. 18	25	May 22								
	650,000			7	7	1st July	q. 1¾	8.86	" " pref.	83¼	77½	82	79	77½	77¾	80	June 5	75	Mar 8				80	79	79	79	18
600,000			644,594	8+3	8+5	15th Mar.	4+2	7.75	Paton Manufacturing Co.			130	124	124	124												
2,150,000		2,000,000	3,350,167	4+1	4+1	15th Aug.	q. 1½	6.25	Penmans, Limited, com.	78	60	73½	64	84	85	98½	Aug 11	77½	Jan. 4		80			96	96	96	5
	1,075,000			6	6	1st Aug.	q. 1½	6.31	" pref.	90	82	86	81½	88½	81½	98	Apr. 9	83¾	Feb. 5					94½	94½	94½	3
5,000,000		5,923,764	2,220,239	6	6	1st July	2	4.84	Price Bros.	132	50½	134	115	181	120	190	Feb. 28	150	Jan. 10								
4,500,000		2,036,600	1,851,813	3½+1	6+4	15th Aug.	q. 2½	7.51	Riordon Pulp and Paper, com.	150	59	127	106	123	117¼	148	July 17	117¾	Jan. 2	118	117½		137	137	132½	137	180
	1,000,000			7	7	30th Jun	q. 1¾	7.07	" " " pref.			95	90	97	98½	100	June 6	94	Jan. 4					95	99	99	10
1,500,000		502,000	273,647	6	3	1st Apr. '17	q. 1½		William A. Rogers, Ltd., com.	99	85	80	40			84½	Aug. 11	85¼	Mar. 28								
	1,122,800			7	7		q. 1¾		" " pref.	99	87	92	90			85	July 30	65	Mar. 13								
800,000			536,162		7	1st Aug.	q. 1¾	8.75	Russell Motor Car, com.	114	32	92	50	90½	55	87	July 16	68	Feb. 19					79½	79½	79½	16
	1,200,000				29¾	1st Aug.	q. 1¾	7.95	" " pref.	139	66	122	72	91½	68¼	94½	May 15	70	Jan. 10	80	78		86	87	87	87	10
1,500,000		574,500	129,711						Sawyer-Massey Co., com	30	20	24	8	13	10	22	July 11	8	Apr. 17								
	1,500,000					2nd June '14	q. 1¾		" " pref.	134½	58	41	40	40	40	63½	July 14	30	Apr. 11								
4,000,000		1,838,500	2,333,282						Sherwin-Williams, com.	99½	53½	60	56	60	60	70	Aug 8	60	Jan. 3			75	72	75	75	75	30
	3,425,000			7	7	31st June	q. 1¾	7.07	" pref	100	97½	100	98	100	99	102	June 23	99	Jan. 6					97½	97½	97½	5
8,750,000			395,100	6+1	6+2	1st July	q. 2	5.97	Shredded Wheat, com.	140½	102½	137¾	112	112	108	135	Apr. 15	124	Mar. 15								
	1,250,000			6	6	1st July	q. 1½	6.66	" " pref	120	95	95	95	92	87	90	Apr. 22	89	Jan. 13								
1,062,500		288,000	205,765		4				Smith Paper Mills, Com.			74½	66	66	65	84½	July 23	65	Feb. 27					83	83	83	25
	475,000				7	15th Apr.	q. 1¾	7.52	" " " Pref					80	73½	95	June 25	78	Feb. 28								
8,000,000		10,332,113	1,071,301						Spanish River Pulp Mills, com.	24¼	3½	19	12½	20	12¾	46	July 10	17	Jan. 14	15	14	42	41	41	40½	41	220
	5,699,100					15th July '13	q. 1¾		" pref.	70	29	59½	47	64½	50	110	June 28	63½	Jan. 23			106	105	105½	105½	105½	50
11,500,000		8,931,246	15,019,130	4	6	1st Aug.	q. 1½	9.09	Steel Co. of Canada, com.	88¼	34½	71½	47½	74¼	49¾	76	July 4	57½	Feb. 1	73	72½	66½	66¼	66¼	66	65¾	440
	6,496,300			10½	7	1st Aug.	q. 1¾	7.14	" " " pref.	107½	82½	100½	84½	98	94	100¼	May 26	91½	Mar. 28	98	96½	98	96	98½	97	97	96
1,650,000	3,602,700	1,066,945	311,577			1st June '14	3½		Standard Chemical, pfd.					62	62¼												
1,820,000		167,155	251,154			1st Aug.	1½	5.35	St. Lawrence Flour, com.					97¾	50	113½	July 7	87½	Mar. 12			110	106½	107	107	107	30
	575,000					1st Aug.	1¾	7.60	" " pref			56	49	55	80	97	June 2	80	Feb 8								
650,000			149,379						Tooke Bros., com	25	16	19	19	30	15	45	July 15	20	Mar 11	24	20	43	40½	42	40	42	360
	985,000			8¾	8¾	14th June	q. 1½	8.75	" pref.	83	78	79	70	77	72½	88	July 8	70	Feb. 4			80		80	80	80	80
750,000		500,000	254,089	5	6+4	2nd July	s. 3+1	8.00	Toronto Paper Co.	96	44	90	72	72½	65	75	Apr. 1	68	Mar. 6								
2,500,000			337,933						Tuckett Tobacco, com.	25	28½	22½	17	24¼	18½	48¼	July 29	22	Jan. 17	18½			40	40	40	40	5
	2,000,000			7		15th July	q. 1¾	7.77	" " pref.	90	75	83½	78	88½	72½	91	July 21	80	Jan 4								
1,750,000		901,000	580,247			2nd July	1½	8.00	Wabasso Cotton					61	21	102	July 30	58	Jan. 2					101¼	101	101¼	20
5,000,000		3,395,000	1,408,060						Wayagamack com.			97	50	55	50	55¼	July 17	46	June 2	52½	51½	56½	56	57½	53	56	3,015
1,719,600		440,000	1,091,439		7	2nd June	q. 1¾	7.95	Woods Manufacturing Co., Ltd. com.	65	33	61	44	98	57¾	102	May 16	86¼	Jan. 13					95	92	95	25
	1,546,500			15¾	7	1st July	q. 1¾	8.23	" " " pref	101	94	86	80	86	85½	90	Mar. 17	83¾	July 3								

LOAN, INSURANCE AND FINANCIAL STOCKS AND MISCELLANEOUS

Common Stock outstanding	Deposits Preferred Stock or Debentures Outstanding and Int.	Reserve and Contingent P. & L.	Dividends 1917-18	Last Dividend Date	Per cent.	LOAN AND TRUST	Range for Year 1917 High	Low	Range for year 1918 High	Low	Latest Price Ask	Bid	Last Sale
1,285,000	3,847,080	1,337,989	9	1st July	q. 2¼	Canada Landed	160	150	148¾	140	145½		148
6,000,000	19,626,287	5,672,509	10	1st July	q. 2½	Canada Permanent	173	162½	169½	162½	175¼	174½	174
1,750,000	4,968,206	1,842,074	10	1st July	q. 2½	Central Canada					190		
[illegible]	2,981,890	427,213	6	1st July	s. 3	Col. Investment, pref.	77	63	69	63	75	72½	72
934,876	1,092,651	271,556	5	2nd July	s. 2½	Dominion Savings			76	75		82	75
2,41[illegible]	2,281,508	827,258	5	1st July	Def.	Great West Per.							89½
1,[illegible]	2,891,322	1,288,840	8	2nd July	s. 4½	Hamilton Provident	142	137	133	121		146	
2,[illegible]	12,299,412	3,328,337	12	1st July	q. 1½	Huron and Erie	211	205	204	208			
1,000,000	1,597,848	886,732	8	2nd July	s. 4	Landed Banking	143	143	141	140		140	141
1,[illegible]	2,683,710	934,981	8	1st July	q. 2	London and Can. Loan	182	128½	126½	126½	123	118	118
[illegible]	1,664,386	362,885	6+1	1st July	q. 1¾	London Loan and Sav.							
[illegible]	317,888	704,494	10+1	15th June	s. 2½+1	Montreal L. & Mtg. Co.	165	160½	182				152½
1,[illegible]	7,[illegible],179	1,662,183	10	1st July	q. 2½+1	National Trust	212	207½				200	[illegible]
1,[illegible]	3,349,473	2,093,943	9	1st July	q. 2¼	Ont. Loan and Deb.	175	175				157	160
[illegible]	646,[illegible]	262,754	7	2nd July	s. 3½	Real Estate Loan					101		100
1,[illegible]	34,[illegible]	2,[illegible]	10+1	1st July	q. 2½+1	Toronto Gen. Trusts	215	210	204	199¾	220	218	220
[illegible]	1,776,[illegible]	689,449	8	1st July	q. 2	Toronto Mortgage Co.	140	136	134			139	143
1,[illegible]	1,918,678	1,164,684	10	1st July	q. 2½	Toronto Savings							185
1,[illegible]	11,[illegible]	404,065	7	1st July	q. 2	Union Trust							178
[illegible]	40,[illegible]	7,463,612	15	1st July	q. 2	Canada Life Assurance							190

Common Stock Outstanding	Bonds, Preferred Stock or D'b'ntures Outstanding	Reserve and Contingent P. & L.	Dividend 1917-18	Last Dividend Date	Per cent.	MISCELLANEOUS COMPANIES	Range for year 1917 High	Low	Range for Year 1918 High	Low	Latest Price Ask	Bid
3,000,000		1,395,591		15th July	1¼	Asbestos Corporation, com.	21	12	45	15	[illegible]74	73
	7,000,000		6	15th July	1½	" " pref	56	42	62¼	44½	88	
1,500,000		1,088,188	9	1st Apr.	s. 4	Canadian N. Prairie Lands						
800,000	280,000	583,572	8	1st July	q. 2	Canadian Salt	136	128	132	126	148	
59,109		1,767,277	$5	23rd Dec.	$5	Can North-West Land						
100,000	11,224,281	1,969,045	20	30th June	q. 5	Confederation Life A.	330	320			375	
6,212,[illegible]		591,346		2nd June	q. 1½	Crows Nest Pass Coal	70	50	55	50		57
1,000,000		292,230	6	15th July	q. 1½	Dominion Telegraph	89	76½				86
2,000,000	12,[illegible],500					Electrical Dev., pref.						
460,000	b 7,072,[illegible]	1,991,265	10	1st July	q. 2½	Imperial Life Assur.						
500,000	400,000	785,811	7	1st July	s. 3½	Intercolonial Coal, pref.					80	
3,000,000		128,488		1st Mar. '14	1	Intern. Coal and Coke			25	25		
2,1[illegible]	1,[illegible]	[illegible]	7	15th May	q. 2	Kaministiquia Power			120	120	112	
687,[illegible]	b 885,987	135,[illegible]		2nd July '17	s. 3	London Street						
2,000,000		119,790	8+10cts	15th July	q. 2	Montreal Telegraph	138	115	120	120		120
[illegible]	b 1,[illegible]					Nia., St. Kath. and Tor.						
1,[illegible]	b 741,000	[illegible]	3½	10th July '15	q. 1½	Trinidad Electric						
2,[illegible]	b 1,[illegible]	[illegible]	5+2	10th June	q. 2	W. Can. Flour Mills						
[illegible]	b [illegible]	[illegible]	5	1st July	q. 1¼	West India Electric	77	77				

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and Loss; +—indicates bonus; b—income bond; P—preferred stock; d—debentures; *—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 16th, 1912; Feb. 1st and Nov. 17th, 1913, December 1, 1914.

COL. W. G. MORDEN AND HIS COMPANY SHOWN NO FAVORS

British Dope Inquiry Clears Sir Sam Hughes' Staff Officer

VALUE OF SHARES

Rise in Share Values Due to Financial Ability of Directors—From Sixpence to Ten Guineas

"There has been no favoritism nor corruption" was the report of the British Cellulose Enquiry Committee, which has just been made public in London. The committee was appointed on August 9 last year to inquire into and investigate the so-called "Dope Scandal," in which it was charged that favoritism in the awarding of contracts for cellulose acetate, used in treating aeroplane fibre, was shown toward a company promoted by Col. Grant Morden, formerly a staff officer to Sir Sam Hughes, Canadian Minister of Militia and Defence.

The original criticism of the British Cellulose and Chemical Manufacturing Company was based on the fact that shares, that at the outset sold at 6d. apiece were traded in at £4.10 when a new company was formed. On this point the committee of inquiry says: "The value of the shares is a matter of uncertainty as they have never been quoted on the stock exchange. In 1917 to 1918 there were a number of dealings in these shares at as high as £10 10s share." The committee stated that instead of viewing the phenomenal rise in the value of the shares as due to Government preference, they thought that the directors of the company had themselves alone to thank.

Dealing with the financial history of the company, the report says that the firm registered on March 18, 1916, was promoted by Lt.-Col. Walter Grant Morden, Sir Arthur Trevor Dawson, a director of Vickers Ltd., and Edward Robson, a director of Pinchin-Johnson & Co., Ltd. The report says:

"None of these gentlemen appears to have had any practical knowledge of the manufacture of cellulose acetate. The formation of the company was the result of a visit to Basle by Colonel Morden and Mr. Robson, on the introduction of a Mr. Bloch. There they met Messrs. Camille and Henri Dreyfus, who with Capt. Alexandre Clavell were the principal shareholders in a Swiss firm of chemical manufacturers called the Cellonite Company (Dreyfus and Co.) and arranged on behalf of the promoters to provide the necessary finance, while the Swiss group were to furnish the technical skill.

"We think it incumbent upon us to call attention to a minute passed at a meeting of the company's directors on January 31, 1918, under which a sum of £4,500 per annum as from January 1, 1918, was voted to each of the managing directors, Dr. Camille Dreyfus and Henri Dreyfus, for 'living and entertainment expenses,' and a sum of £5,000 voted to the chairman, Colonel Grant Morden, for similar purposes, it being expressly agreed that no detailed account of these expenses need be presented. We have no evidence that these sums were put to any improper use, and only mention the fact lest it might appear to have been overlooked."

BOLSHEVISM IS A REAL MENACE, SAY FIRE MARSHALS

Continued from page 1.

press to you the magnitude and importance of the role that insurance and the insurance agent play in this period of reconstruction. The insurance agent who does not realize that there is something vastly more important and honorable in the business than his mere premium returns is asleep at the switch, tied to post, and a stumbling block in the march of progression! His work is in the highest degree important, and upon the fidelity, loyalty and thoroughness with he conducts his business depends the future of this country. This may seem a broad statement; it is not, but it is a plain statement of fact."

Should Inspect Properties

J. G. Gamber, State Fire Marshal of Illinois, divided the cost of fires into three parts: investments in fire departments, cost of maintenance and actual fire loss. He believed that one of the most important fields for fire prevention belonged to local insurance agents, who should inspect properties on which they write insurance, and insist on flagrantly hazardous conditions being remedied.

James F. Joseph, secretary of the Conservation Association of Illinois, said that educational work in teaching people how to remove conditions that might tend to increase the number of fires, has resulted in a noticeable decrease in fire losses in the United States.

The reason fire losses in North America exceed fire losses in Europe is because we do not erect our buildings to last for centuries as people do across the water, said A. R. Small, of the Chicago Underwriters' Laboratories. He advocated the following points to be observed in building factories; design should safeguard against exposure from the outside; automatic sprinklers should always be installed; some one familiar with its operation should be in the building at all times; hand equipment should always be immediately available.

Heavy Loss of Human Life

That fire prevention is needed not only as a safeguard against loss of property, but to protect human life, was the theme of a paper by James R. Young, Insurance Commissioner for North Carolina. Mr. Young stated that he had kept figures of the numbers of deaths in fires, and estimated that there were over 23,000 deaths annually from fires in the United States and Canada.

All buildings should be made fireproof or at least fire resisting, said the commissioner. Builders felt that a fireproof building was too expensive, but at present there was little difference in the building costs of fast burning and fireproof buildings.

Theatres were too often built without adequate exits, and were allowed to be crowded beyond safety. School buildings were usually built with fire escapes, but the great danger was from smoke from rapidly burning walls and the panics that ensued. Eighty per cent. of all deaths in school fires were from smoke, where the pupils had not been touched with fire. Mr. Young said the smoke danger could only be prevented by the elimination of all inside stairways and openings between floors, and the adoption of the Double Tower Stairway. He asked:

"Are we undervaluing human life or have we simply grown careless in its protection? Neither should continue. We shoud spare no means for safeguarding lives. Automatic sprinklers, one of our most efficient agencies in fire protection is a great life saver, and should be more generally installed. It will richly pay in the protection afforded to instal them in our schools, dormitories, hospitals and other like buildings. Certainly no building containing valuable property or which shelters a mass of human lives should be without the protection afforded by an automatic sprinkler system."

SHAWINIGAN STOCK TRANSFER ARRANGED

Debenture Holders Open to Exchange Perpetual Securities For 30-Year Issue

MONTREAL.—Howard Murray, vice-president of The Shawinigan Water & Power Company, has returned from London where on July 24th, he presided at a meeting of the 4½ per cent. Debenture Stock Holders of the Shawinigan Company. Of this security there was held in sterling in Great Britain a total amount of $5,500,000.

At this meeting, at which over 60 per cent. of the Debenture Stock was represented either in person or by proxy, a resolution was passed agreeing to the proposal of the Company that the 4½ per cent. Perpetual Consolidated Mortgage Debenture Stock be exchanged for 5½ per cent. thirty year First and Refunding Mortgage Sinking Fund Gold Bonds of the Company, forming part of an issue of bonds not exceeding in all $50,000,000. This exchange is to be made as at the 1st of December, 1919.

As the Debenture Stock is in sterling, fractions of $100, resulting from such exchange, will be satisfied by the company as far as possible in Fractional Certificates for $25 each, or any balance will be paid by the company in cash.

Holders of Debentures Stock are to surrender their Stock Certificates to the Bank of Scotland, London, for exchange for the Bonds on December 1st.

The resolution authorizes the Royal Trust Company as Trustee for the Debenture Stock, to cancel the Trust Deeds and all Mortgages and Charges securing Debenture Stock and reconvey all property and assets to the company, upon the deposit with it of the $5,500,000 5½ per cent. Bonds, to be delivered to such Debenture Stock Holders in exchange.

This agreement with the Debenture Stock Holders clears the way for the Company's programme outlined in the notice to Shareholders for a meeting to be held on October 8th, and immediately upon the ratification by the Shareholders of By-law No. 31 creating 5½ per cent. Thirty Year Bonds of Series "A," aggregating $5,500,000, this exchange can be put into effect.

BALDWINS' REPORT

LONDON, ENG.—Baldwins, Ltd., the South Wales tin-plate enterprise that recently purchased the plant of the British Forgings, Ltd., at Toronto, where they intend to employ 2,300 men this winter, has issued its report for the year ending June 30. There is a substantial increase in profits, and after providing for excess profits duty there is a surplus of £442,900, as against £312,900 for the previous year. After paying the regular dividend of 12½ per cent., £50,000 is allowed for depreciation, and the balance of £273,000 is brought forward. In order to provide for the extension of the company's activities it is proposed to issue early in the autumn a million new "B" preference shares.

LAW OF SUPPLY AND DEMAND TO PUT DOWN PRICES

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fits on it. The cotton planters this year tried to curtail acreage by 30 per cent. and succeeded in cutting it down to only about 7½ per cent.

Employment of Troops

But the surest indication that this plant capacity cannot be kept idle is that the world has between 15,000,000 and 20,000,000 troops who are now seeking re-employment. If they do not obtain it there will be rioting and Bolshevism the world over, and hardly a ministry or government anywhere can stand. But if they do obtain the employment, idle plants will begin running again, and the supply of almost every conceivable article will be so increased as to reduce prices.

The only way prices can be kept up is to keep the plants and factories and producing capacity idle, and the only way this can be done is to keep the soldiers out of jobs.

It is a pretty good-sized undertaking even for those who think that the world is going to be made over to fit the bull market or to suit the profiteers.

However, even if there were no law of supply and demand, or if all the statistics of idle producing capacity were totally erroneous, we would still have evidence enough in the action of the money market to prove beyond a reasonable doubt that commodity and goods prices are coming down. Price levels are as closely related to the money market as one's car wheels are to the motor, and although the two are not usually thought of together, the bull movement in goods prices cannot go on without the help of the money market any more than the automobile can go without its engine.

As prices go up it takes more and more capital to finance the production and distribution of goods. For example, the tanner must keep on hand a supply of hides to meet his own requirements and a supply of leather to meet those of his customers. When hides go up from 30 cents a pound to 52 cents, as they have during the past year, his stock of hides costs almost twice as much as formerly, and to pay for it he must either draw down his deposits at the bank or else borrow the money from the bank. In either case he thereby diminishes the amount of money or capital which his bank can loan to other business men. But the rise in hides puts leather up, and the rise in leather causes shoes to advance, and so it happens that everyone from the tanner to the retail shoe dealer is using more and more capital in the management of his trade.

Why Interest Rates are High

During the past four months prices have gone up so much that it now requires probably about $2,000,000,000 of addition working capital to carry on the business of the American people. The money goes into supplies of raw materials, stocks of furnished goods on hand, and into the cost of the labor that it took to make the finished goods. Otherwise expressed, in order to keep this bull movement in commodity and goods prices going forward, our business men must be able to borrow somewhere an additional $500,000,000 each month or thereabouts.

This is why interest rates are becoming so high. It is getting more and more difficult to borrow in such large aggregate amounts because the supply of loanable funds is running short. Capital is nothing in the world but accumulated savings; and when the savers, through their agents, the banks, have loaned all their savings or capital the borrowers cannot borrow any more until more is saved out of personal incomes.

Tight money or high interest rates do not occur except as a consequence of a scarcity of capital or loanable funds; and experience shows that the money market is one of the very best indices to the future of goods prices. In recent times in the United States the only four periods of tight money we have had began in September, 1902, December, 1905, August, 1914, and July, 1919, respectively. Of course, tight money is not immediately followed by a slump in commodity prices, for merchants and producers first finance themselves by borrowing all they can from every bank they know, and also from private capitalists, and do not cut prices except as a last resort. This, however, causes a delay of only a few weeks or months between the beginning of the tight money period and the commencement of the slump in prices.

In brief, the notion that the existing price level will be permanent is sheer nonsense. There is not a scrap of evidence in the business situation to sustain it, and it is contrary to all the principles of economics, and to all the teachings of past experience. It is a belief which immediately disappears upon attaining the slightest knowledge of the subject.

AUTOMOBILE PRICES

General Price Advances Are Now in Order

NEW YORK.—While the war was in progress and automobile prices were steadily mounting higher, it was a popular belief that cessation of hostilities would witness reductions almost as rapid as the advances had been. It seemed that this belief was justified when not long after the armistice several manufacturers announced substantial price cuts. Since, however, the true condition of this country's automobile industry has been more clearly recognized. Costs of labor and material have not declined as it was expected they would. Many manufacturers have not been able to speed up production to the point they had hoped to reach and the enormity of the shortage of motor cars, not only here, but abroad, is daily becoming more apparent.

SEPTEMBER IN ALGONQUIN PARK

September is one of the most delightful months of the year in the "Highlands of Ontario" and Algonquin Park offers attractions that are not found in other districts. Situated at an altitude of 2,000 feet above the level of the sea it assures the visitor of a pure bracing air that rejuvenates body and mind. A few days here is better than ounces of tonics and saves doctor bills. The territory is also easy of access via the Grand Trunk, 200 miles north of Toronto and 170 miles west of Ottawa. "The Highland Inn," a charming hotel, affords most comfortable accommodation at reasonable rates. The Inn is heated by steam. Grate fires for cool evenings add cheer to the indoor pleasure. The cuisine is all that can be desired. Good fishing in the many lakes in close proximity to the hotel. A fine clay tennis court offers a means of physical exercise. "The Highland Inn" is operated by the Grand Trunk Railway. Make your reservations early. Illustrated descriptive literature telling you all about it from any Grand Trunk Agent, or write Mr. N. T. Clarke, Manager, Highland Inn, Algonquin Park, Ont.

KEEPING POLICY UP TO REPLACEMENT COST ESTIMATES

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footing of wood under the main supports gives way and is replaced by concrete. This is all on the argument that the original productiveness is maintained as in this case.

"In the case you cite, it is a little difficut to know whether there was only the appraisal nineteen years ago, or one made practically continuously, as we are doing now. The best method for the assured to do is to arrange for an appraisal to be kept up to date. Thus he would notify the appraisal company when structures are added or removed; also if any change is made in the machinery. Then the valuation is added to or decreased, and with the original plant or building the appraisers take the oroginal records and bring them down to date, deducting the fair depreciation on the machinery and building, as they would be familiar with the particular types of machinery used. They would keep scanning the extensions of each machine, and in these days a machine worth $10,000 one year ago might be marked by them to-day as worth $11,500, or again it might be depreciated, especially if there had been any new invention placed on the market, as an improvement. In any case the appraisal would be continued down to the time of loss by fire, and the assured would be able to know just what value he should figure on in setting the amount of his insurance, and especially if he has the co-insurance clause operating.

"But it is well to remember that the "bookkeeping" and "insurance" valuations do not follow the same lines. Take as an example a sawmill. This mill say, represents a ninvestment of $200,000, and has cutting ahead of it for twenty years and no more. Thereafter, its lifetime must be figured as for twenty years only. For bookkeeping purpose there must be a deduction of the valuation of one-twentieth each year so that it can be scrapped at the end of the cut. But insurance is written on what we call the "sound" value, that is as you point out, the replacement value, less depreciation. So that the insurance value keeps pretty much as it was, close to the $200,000, while the bookeeping valuation declines 5 per cent. each year, the two getting wider and wider apart.

Now in this particular case I should allow about 1 per cent. a year for the nineteen years or 19 or 20 per cent. at most for depreciation, instead of the 53 per cent. in one case and the 45 per cent. in the other, considering the fact that the mill was kept right up to the original capacity, and first class. The "sound" value of the mill would have been probably this original appraisal less about 20 per cent., and I would have insisted on this amount being paid. The writer to THE FINANCIAL POST would seem to have a grievance in the scaling down of the valuations with a mill that had been kept up.

"He asks whether this depreciation can be counted every year until at last it would wipe out any value to the assured. No, there comes a time when depreciation vanishes. For example, take a mill that has been erected for forty years. Probably there is not a single stick of timber in that mill that was there originally.

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